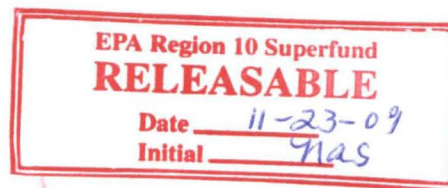


Foss Maritime Response to EPA's 104(e) Information Request

Entire response Releasable



CERTIFICATE OF OWNERSHIP AND MERGER

OF

BRIX MARITIME TOWING INC.
(an Oregon corporation)

INTO

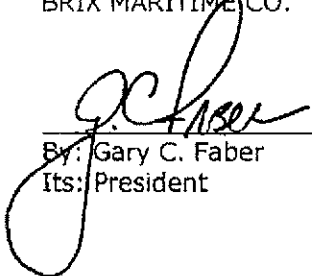
BRIX MARITIME CO.
(a Delaware corporation)

It is hereby certified that:

1. Brix Maritime Co. (hereinafter sometimes referred to as the "Corporation") is a business corporation of the State of Delaware.
2. The Corporation is the owner of all of the outstanding shares of each class of stock of Brix Maritime Towing Inc. (hereinafter sometimes referred to as the "Subsidiary"), which is a business corporation of the State of Oregon.
3. The laws of the jurisdiction of organization of the Subsidiary permit the merger of a business corporation of that jurisdiction with a business corporation of another jurisdiction.
4. The Corporation hereby merges the Subsidiary into the Corporation.
5. A copy of the resolutions adopted effective as of July 31, 2007, by the Board of Directors of the Corporation to merge said Subsidiary into the Corporation is attached hereto and incorporated herein by reference.
6. This Certificate of Ownership and Merger will be effective on August 31, 2007, at 11:59 p.m., and insofar as the General Corporation Law of the State of Delaware shall govern the same, said date shall be the effective merger date.

Executed on this 22 day of August, 2007.

BRIX MARITIME CO.


By: Gary C. Faber
Its: President

CERTIFICATE OF OWNERSHIP AND MERGER

OF

**BRIX RAFTING & SORTING CO.
(an Oregon corporation)**

INTO

**BRIX MARITIME CO.
(a Delaware corporation)**

It is hereby certified that:

1. Brix Maritime Co. (hereinafter sometimes referred to as the "Corporation") is a business corporation of the State of Delaware.

2. The Corporation is the owner of all of the outstanding shares of each class of stock of Brix Rafting & Sorting Co. (hereinafter sometimes referred to as the "Subsidiary"), which is a business corporation of the State of Oregon.

3. The laws of the jurisdiction of organization of the Subsidiary permit the merger of a business corporation of that jurisdiction with a business corporation of another jurisdiction.

4. The Corporation hereby merges the Subsidiary into the Corporation.

5. A copy of the resolutions adopted on January 17, 2001, by the Board of Directors of the Corporation to merge the said Subsidiary into the Corporation is attached hereto and incorporated by reference.

6. This Certificate of Ownership and Merger will be effective upon its filing, and insofar as the General Corporation Law of the State of Delaware shall govern the same, said date shall be the effective merger date.

Executed on this 17th day of January, 2001.

BRIX MARITIME CO.


By: Steve T. Scalzo
Its: President

SBA_DOCS:546663.1

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:00 AM 01/30/2001
010049965 - 0681914

Fee \$10.00
 + 2.00 per county
 + 5.00 for copy (optional)
 Total 87.00



Corporation Division - Business Registry

THIS SPACE FOR OFFICE USE ONLY

FILED

SEP 16 1994

Registry Number:

SECRETARY OF STATE

ASSUMED BUSINESS NAME REGISTRATION

PLEASE TYPE OR PRINT LEGIBLY IN BLACK INK

1. ASSUMED BUSINESS NAME: Foss Maritime Company2. Principal place of business: 660 West Ewing Street, Seattle, WA 98119
 Street address City State Zip code3. Authorized representative (ONE NAME ONLY): Joseph H. Langjahr660 West Ewing Street, Seattle, WA 98119
 Mailing Address City State Zip code4. SIC code: 4400 (see back of this form)5. Registrants (attach a separate sheet if necessary):
 Water TransportationBrix Maritime Co., 660 West Ewing Street, Seattle, WA 98119
 Name #120596-89 Street address City State Zip codeBrix Rafting & Sorting Co., 9030 N.W. St. Helens Road, Portland, OR 97283
 Name #087658-89 Street address City State Zip codeBrix Maritime Towing, Inc., 9030 N.W. St. Helens Road, Portland, OR 97283
 Name #081472-17 Street address City State Zip code

** SEE ATTACHMENT FOR ADDITIONAL REGISTRANT **

6. Counties: ☒ All counties - statewide

<input type="checkbox"/> Baker	<input type="checkbox"/> Douglas	<input type="checkbox"/> Lake	<input type="checkbox"/> Sherman
<input type="checkbox"/> Benton	<input type="checkbox"/> Gilliam	<input type="checkbox"/> Lane	<input type="checkbox"/> Tillamook
<input type="checkbox"/> Clackamas	<input type="checkbox"/> Grant	<input type="checkbox"/> Lincoln	<input type="checkbox"/> Umatilla
<input type="checkbox"/> Clatsop	<input type="checkbox"/> Harney	<input type="checkbox"/> Linn	<input type="checkbox"/> Union
<input type="checkbox"/> Columbia	<input type="checkbox"/> Hood River	<input type="checkbox"/> Malheur	<input type="checkbox"/> Wallowa
<input type="checkbox"/> Coos	<input type="checkbox"/> Jackson	<input type="checkbox"/> Marion	<input type="checkbox"/> Wasco
<input type="checkbox"/> Crook	<input type="checkbox"/> Jefferson	<input type="checkbox"/> Morrow	<input type="checkbox"/> Washington
<input type="checkbox"/> Curry	<input type="checkbox"/> Josephine	<input type="checkbox"/> Multnomah	<input type="checkbox"/> Wheeler
<input type="checkbox"/> Deschutes	<input type="checkbox"/> Klamath	<input type="checkbox"/> Polk	<input type="checkbox"/> Yamhill

7. Signature of all registrants (attach a separate sheet if necessary):

Joseph H. Langjahr
 Joseph H. Langjahr, Vice Pres./Sec./Director for all registrants

8. Person to contact about this registration: James G. Kibble Daytime phone number: (206) 464-3939

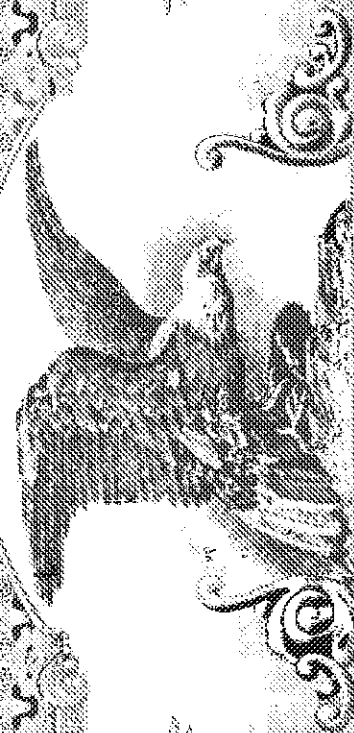
TO RECEIVE A COPY OF THE FILED REGISTRATION WITH REGISTRY NUMBER, PLEASE ENCLOSE AN ADDITIONAL \$5.00.
 MAKE CHECKS PAYABLE TO THE CORPORATION DIVISION.

Incorporated Under the Laws of the State of Washington

See Transfer Restrictions on Reverse

NUMBER
IS

SHARES
5,760



FOSS MARITIME COMPANY

Total Authorized Shares: 5,000 Shares of Common Stock, \$100 Par Value

This is to certify
registered holder of

MARINE RESOURCES, INC.

Five Thousand Seven Hundred Sixty (5,760)

is the
Name

transferable only on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this Certificate properly endorsed.

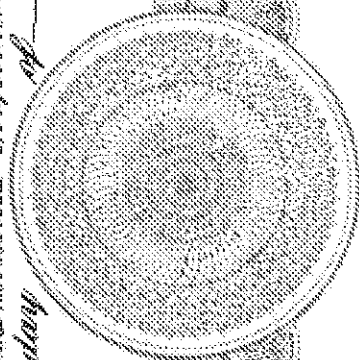
In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers and its Corporate Seal to be hereunto affixed

this 6th day of

September A.D. 2001

[Signature]
President

[Signature]
Secretary



FOSS MARITIME COMPANY

CONSENT OF DIRECTORS

Pursuant to the Revised Code of Washington, Section 23A.08.345, the undersigned, constituting the entire Board of Directors of FOSS MARITIME COMPANY, a Washington corporation, hereby unanimously consent to and adopt the following as of June 18, 1987:

SALE OF STOCK OF
FOSS MARITIME COMPANY

WHEREAS, it is deemed advisable in the judgment of the Board of Directors and in the best interest of this Corporation and its stockholder that Dillingham Corporation, a Hawaii corporation, and parent of this Corporation ("Dillingham"), sell all of the outstanding stock of this Corporation to Totem Resources Corporation, a Washington corporation ("TRC");

RESOLVED, that this Corporation is hereby authorized to enter into and perform a stock purchase agreement whereby TRC will acquire all of the outstanding stock of this Corporation;

RESOLVED FURTHER, that the form, terms and conditions of the Stock Purchase Agreement among Dillingham, TRC and this Corporation (the "Stock Purchase Agreement") are hereby approved substantially upon the terms and subject to the conditions presented to this Board of Directors, with such changes therein, additions thereto or deletions therefrom as the officers executing the same may approve, such approval to be conclusively evidenced by their execution thereof;

RESOLVED FURTHER, that this Corporation is hereby authorized to enter into such further agreements and arrangements as may be necessary, desirable or appropriate with respect to the Stock Purchase Agreement, substantially upon the terms and subject to the conditions presented to this Board of Directors, with such changes therein, additions thereto or deletions therefrom as the officers executing the same may approve, such approval to be conclusively evidenced by their execution thereof;

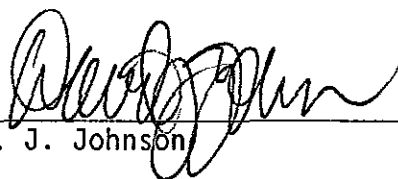
RESOLVED FURTHER, that the appropriate officers of this Corporation be, and each of them hereby is authorized and directed in the name and on behalf of this Corporation, to execute and deliver the Stock Purchase Agreement;

RESOLVED FURTHER, that the Board of Directors hereby recommends that the sole stockholder of this Corporation approve the sale of all of the outstanding stock of this Corporation pursuant to the Stock Purchase Agreement, and that it further approve any other action that may be necessary or appropriate to effect such sale; and

RESOLVED FURTHER, that the appropriate officers of this Corporation be, and each of them hereby is, authorized and directed in the name and on behalf of this Corporation, to execute and deliver such further documents and to do or cause to be done such other acts as may be necessary or desirable to carry out the purposes of the foregoing resolutions.

This consent may be executed in several counterparts, all of which taken together, shall constitute one instrument.

IN WITNESS WHEREOF, this Consent is executed as of the date first written above.



D. J. Johnson

J. J. Casey

T. V. Van Dawark

G. E. Hoglund

J. H. Langjahr

S. T. Scalzo

S. D. Campbell

This consent may be executed in several counterparts, all of which taken together, shall constitute one instrument.

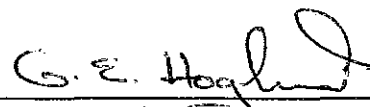
IN WITNESS WHEREOF, this Consent is executed as of the date first written above.

D. J. Johnson

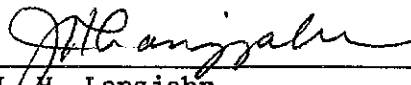
J. J. Casey



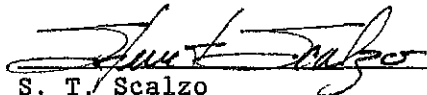
T. V. Van Dawark




G. E. Hoglund



J. H. Langjahr



S. T. Scalzo



S. D. Campbell

This consent may be executed in several counterparts, all of which taken together, shall constitute one instrument.

IN WITNESS WHEREOF, this Consent is executed as of the date first written above.

D. J. Johnson



J. J. Casey

T. V. Van Dawark

G. E. Hoglund

J. H. Langjahr

S. T. Scalzo

S. D. Campbell

**UNANIMOUS CONSENT TO CORPORATE ACTION
BY THE BOARD OF DIRECTORS OF
FOSS MARITIME COMPANY**

The undersigned, being all of the members of the Board of Directors of Foss Maritime Company, a Washington corporation (the "Corporation"), hereby waive all notices, statutory and otherwise, and unanimously consent to the following corporate action in lieu of holding a meeting for that purpose, pursuant to RCW 23B.08.210:

WHEREAS, this Corporation became a qualified subchapter S subsidiary ("QSSS") corporation pursuant to a QSSS election filed effective January 1, 1997; and

WHEREAS, this Corporation has a wholly-owned subsidiary corporation, Foss Environmental Services ("FEIS"), that also filed a QSSS election effective January 1, 1997; and

WHEREAS, the QSSS election caused this Corporation and FEIS to be liquidated into their ultimate parent corporation, Saltchuk Resources, Inc. ("Saltchuk"), under Section 332 of the Internal Revenue Code of 1986, as amended; and

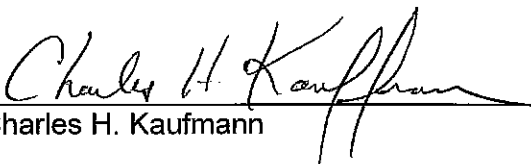
WHEREAS, this Corporation now desires to document the transfer of the stock of FEIS to Saltchuk;

NOW, THEREFORE, BE IT RESOLVED, that, effective January 1, 2000, this Corporation hereby distributes and transfers to Saltchuk all of the issued and outstanding shares of FEIS owned by this Corporation.

RESOLVED FURTHER, that this Consent by the undersigned may be executed in counterparts, shall be effective upon the date of the last signature hereon below, and when effective, may be treated by all persons as having the same effect as if the resolutions herein contained were lawfully adopted at a meeting actually held upon due and proper notice.

DATED as of this 1st day of January, 2000.


DIRECTORS:



Charles H. Kaufmann



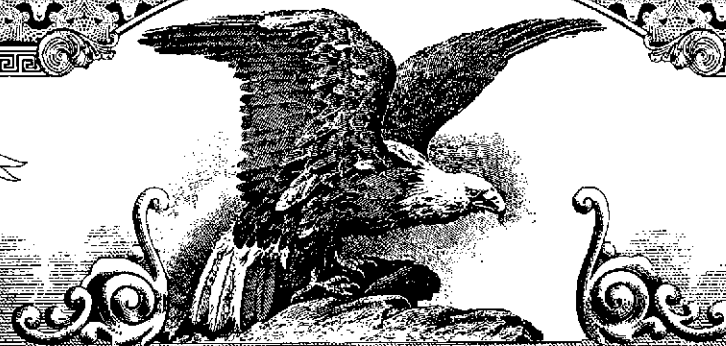
Mark Tabbutt



Thomas V. Van Dawark

Incorporated Under the Laws of the State of Washington

See Transfer Restrictions on Reverse

NUMBER
2SHARES
1,000

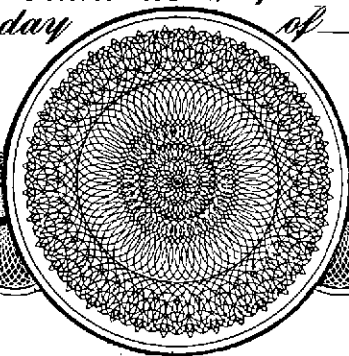
MARINE RESOURCES GROUP, INC.

Total Authorized Issue: 1,000 Shares of Common Stock

~~This certifies that~~ SALTCHUK RESOURCES, INC. *is the*
registered holder of One Thousand (1,000) *Shares*

transferable only on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed
by its duly authorized officers and its Corporate Seal to be hereunto affixed
this 27th day of August A.D. 2004


Paul E. Stevens, President
Joseph H. Langjahr, Secretary

STOCK AND ASSET PURCHASE AGREEMENT

Among

BRIX MARITIME CO. ("BMC"),

PETER J. BRIX,

ROBERT J. DeARMOND,

**ELLISON C. MORGAN,
individually and as trustee of
Management Partnership 401(k) Plan**

JOSEPH AND SARAH TENNANT,

JOHN B. ALTSTADT

AND

HAYDEN INVESTMENT CORPORATION

(Collectively, "Sellers")

AND

FOSS MARITIME CO. ("FOSS")

August 11, 1993

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- C Noncompetition and/or Consulting Agreements
- D Real Estate Acquisition Agreement
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- H Right of First Refusal for Hayden Investment Corporation
- I Garvey, Schubert & Barer Opinion Letter
- J Schwabe, Williamson & Wyatt Opinion Letter

STOCK AND ASSET PURCHASE AGREEMENT

AGREEMENT made as of August 11, 1993, by and among BRIX MARITIME CO., a Delaware corporation ("BMC"); PETER J. BRIX, ROBERT J. DeARMOND, ELLISON C. MORGAN, individually and as trustee of Management Partnership 401(k) Plan, JOSEPH and SARAH TENNANT, JOHN B. ALTSTADT, and HAYDEN INVESTMENT CORPORATION (herein, a "Seller" or collectively the "Sellers"); and FOSS MARITIME CO., a Washington corporation ("FOSS").

RECITALS

A. Sellers own all of the issued and outstanding stock of BMC (the "Shares"). BMC and its direct and indirect subsidiaries are engaged in the business of operating marine services including without limitation towing, harbor services, marina and terminal services, barging, and log sorting and rafting on the Columbia River and its tributaries including the Willamette and the Snake Rivers, Lake Coeur d'Alene, Puget Sound and the Pacific Ocean ("the Business").

B. FOSS desires to purchase from Sellers, and Sellers desire to sell to FOSS, the Shares upon the terms and subject to the conditions set forth in this Agreement. In addition, as a condition to Closing, FOSS desires to acquire certain additional assets and rights from certain Sellers and related third parties pursuant to agreements attached hereto as Exhibits D and E plus rights to the Option Corporation identified in Schedule 2.1.1 (collectively, the "Acquired Assets").

NOW, THEREFORE, in consideration of the terms and conditions herein, the parties agree as follows:

ARTICLE I.

PURCHASE AND SALE

1.1 Purchase of Stock. On the Closing Date, as defined in Section 1.4 hereof, Sellers will sell and transfer to FOSS and FOSS will purchase and acquire from each Seller, the number of Shares set forth opposite each Seller's name under Column A of Exhibit A attached hereto.

1.2 Purchase of Assets. On the Closing Date, as defined in Section 1.4 hereof, the Acquired Assets will be transferred to FOSS or its designee.

1.3 Purchase Price.

1.3.1 The aggregate purchase price is [REDACTED] subject to adjustment under Section 1.3.2 (collectively, the "Purchase Price"). The aggregate purchase price is

allocated as follows: [REDACTED] for the Shares, subject to adjustment under Section 1.3.2; [REDACTED] for all of the Acquired Assets; [REDACTED] for the Noncompetition and/or Consulting Agreements (Exhibits C hereto). The parties agree that they will not take any position inconsistent with such allocation in any tax return filed by such party.

1.3.2 The purchase price for the Shares shall be reduced dollar for dollar by the sum of (i) the amount of long-term debt and capital lease obligations (including the current portion of long-term debt and capital lease obligations) (collectively the "Debt") of BMC and the Subsidiaries (as defined in Section 2.1 below) as of the Closing Date (as defined in Section 1.3 below) and (ii) the amount of Debt in excess of normal installment payments that has been pre-paid or otherwise retired by BMC or the Subsidiaries during the period January 1, 1993 through the Closing Date (except [REDACTED] prepayment relating to the Tug Washington previously disclosed to FOSS), and (iii) the present value at Closing, and computed based upon an 8.27% capitalization rate, of all amounts due Arthur Reidel at Closing under his Consulting Agreement with BMC.

1.4 Closing. The closing of the purchase and sale of the Shares and the Acquired Assets (the "Closing") shall take place at the offices of Garvey, Schubert & Barer, in Portland, Oregon, at 10:00 A.M., local time, on September 15, 1993 or within five (5) business days following satisfaction of the conditions set forth in Sections 4.1.7 and 4.2.11, whichever is later, or at such other place and time as the parties shall mutually agree upon. The date on which the Closing shall occur is the "Closing Date."

1.5 Action at Closing. At the Closing:

1.5.1 Shares. Subject to delivery of the Purchase Price as set forth in Section 1.5.3 below, Sellers will deliver to FOSS the stock certificates representing the Shares, duly endorsed for transfer or accompanied by properly executed stock powers, with all requisite stock transfer stamps affixed thereto at no cost to FOSS. The signatures of Sellers shall be certified by the Secretary of BMC as the signatures of Sellers, and the Shares shall be transferred by Sellers to FOSS free and clear of all liens, claims and encumbrances of any nature whatsoever.

1.5.2 Title Documents. Subject to delivery of the Purchase Price as set forth in Section 1.5.3 below, Sellers will cause to deliver to FOSS the title documents for the Acquired Assets which shall be transferred to FOSS free and clear of all liens, claims and encumbrances of any nature whatsoever.

1.5.3 Purchase Price. Subject to delivery of the Shares and title documents as set forth in Sections 1.5.1 and 1.5.2 above, and subject to escrow of [REDACTED] of the purchase price for the Shares pursuant to Section 3.1.11, FOSS shall deliver to each Seller a cashier's check or readily available federal funds in the amount set forth under Column B opposite such Seller's name on Exhibit A hereto and will deliver a cashier's check or readily available federal funds in connection with purchase of the Acquired Assets and Non-Competition and/or Consulting Agreements as follows:

[REDACTED] to Peter J. Brix
[REDACTED] to Robert J. DeArmond
[REDACTED] to Ellison C. Morgan
[REDACTED] to Ellison C. Morgan, as trustee of
Management Partnership 401(k) Plan
[REDACTED] to Ellison C. Morgan, individually and as trustee of
Management Partnership 401(k) Plan
[REDACTED] to Joseph and Sarah Tennant
[REDACTED] to Joseph Tennant
[REDACTED] to John B. Altstadt
[REDACTED] to Hayden Investment Corporation
[REDACTED] to Tri Ocean Charters, Inc.
[REDACTED] to Hayden Investors
[REDACTED] to Knappton Leasing
[REDACTED] to Enterprise Partners
Total

BMC and Sellers shall direct FOSS to pay such portion of the Purchase Price to the United States National Bank of Oregon and such other creditors as shall be necessary to release any security interest of such bank or creditors in the Shares and may direct further payment of a portion of the Purchase Price to be made to United States National Bank of Oregon or other creditors to effect the payment of debt of BMC in order to reduce or eliminate the deduction from the Purchase Price set forth in Section 1.3.2, but only to the extent that FOSS does not waive in writing the provisions of Sections 2.1.9 and 2.1.10 solely as they relate to liens, claims or encumbrances due to Debt which remain upon the properties and assets of BMC or the Acquired Assets at Closing.

1.5.4 Additional Deliveries. Sellers and FOSS shall each deliver all documents required to be delivered pursuant to Article IV.

ARTICLE II.

REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of Sellers. Sellers, jointly and severally, represent and warrant to FOSS and agree as follows:

2.1.1 Organization; Good Standing; Qualification; Power and Authority.

(a) BMC is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, is a citizen of the United States as defined in Section 2 of the Shipping Act of 1916, as amended, for purposes of operation in the coastwise trade, and is duly qualified to do business and is in good standing in each jurisdiction in which the nature of the business conducted or the properties or assets owned or leased by it makes such qualification necessary. BMC has the corporate power and authority to carry on its business as it is now conducted and to own, lease and operate its properties. Sellers have delivered to FOSS complete and correct copies of BMC's certified Certificate of Incorporation and bylaws, as amended and in effect on the date hereof, both certified by BMC's Secretary.

(b) Schedule 2.1.1 lists all of BMC's subsidiaries, joint venture interests, and options to acquire corporations. For purposes of this Agreement, BMC's wholly-owned subsidiaries plus Sortwell, Inc., and Tweed Towing, Inc., will be collectively referred to as the "Subsidiaries" and individually as a "Subsidiary" and the Joint Venture interests will be collectively referred to as the "Joint Ventures" and individually as a "Joint Venture". The options will be referred to as "Option Corporation" and comprise part of the "Acquired Assets." Each Subsidiary, Joint Venture, and Option Corporation is a corporation or partnership, as applicable, duly organized, validly existing and in good standing under the laws of the jurisdiction designated on Schedule 2.1.1, and has the power and authority to carry on its business as it is now conducted and to own, lease and operate its properties, and is duly qualified to do business and is in good standing in each jurisdiction in which the nature of the business conducted or the properties or assets owned or leased by it makes such qualification necessary. Each Subsidiary, Joint Venture and Option Corporation is a citizen of the United States as defined in Section 2 of the Shipping Act of 1916, as amended, for purposes of operation in the coastwise trade. Schedule 2.1.1 sets forth the authorized, issued and outstanding capital stock of the Subsidiaries and the corporate Joint Ventures and the record owners of such capital stock. Schedule 2.1.1 sets forth the partnership interests of the partnership Joint Ventures. Sellers have delivered to FOSS complete and correct copies of the Articles of Incorporation, Certificate of Incorporation and bylaws or the Partnership Agreement (or equivalent documents or instruments), as amended and in effect on the date hereof, of each Subsidiary and Joint Venture, in each case certified by the Secretary (or managing partner as applicable) of such Subsidiary, Joint Venture or Option Corporation. Except as set forth on Schedule 2.1.1, BMC does not own, directly or indirectly, whether of record or beneficially, any shares of capital stock or other interest in or right to acquire an interest in any corporation, partnership, joint venture, trust or other entity of any nature whatsoever. Any options or other rights to acquire any shares of capital stock or other interest in any corporation, partnership, joint venture, trust or other entity of any nature which are set forth in Schedule 2.1.1, are valid and binding obligations of the parties, enforceable in accordance with their terms and exercise thereof will not (i) result in the termination of or breach of any of the terms or provisions of or result in the acceleration of the performance required by, or constitute a default under any will, deed of trust, trust, employee benefit plan indenture, mortgage, charter, by law, contract, lien, agreement or other instrument or any judgment, decree or order of any federal, state, local or foreign

court, regulatory or other body to which BMC, the Subsidiaries, Option Corporation, or Joint Ventures is a party or by which they may be bound or (ii) violate any statute, rule or regulation applicable to BMC, Option Corporation, the Subsidiaries or Joint Ventures.

2.1.2 Capitalization. The authorized capitalization of BMC consists of 10,000 shares of Common Stock, without par value, of which an aggregate of 4,953 shares are outstanding and 224 shares are subscribed. At Closing all of the outstanding shares of capital stock of BMC and each Subsidiary and corporate Joint Venture will be validly issued, fully paid and non-assessable. Except as set forth on Schedule 2.1.2, there are no outstanding warrants, options, rights, calls or other commitments of any nature relating to the authorized but unissued shares of capital stock of BMC, Option Corporation or any Subsidiary or corporate Joint Venture, or concerning the authorization, issuance or sale of any other equity securities of BMC, Option Corporation or any Subsidiary or corporate Joint Venture. BMC, directly or indirectly, owns the outstanding shares of capital stock shown in Schedule 2.1.1 of each Subsidiary free and clear of all liens, claims and encumbrances of any nature whatsoever. Except as set forth in Schedule 2.1.2, BMC, directly or indirectly, owns those shares of capital stock of each corporate Joint Venture set forth in Schedule 2.1.1 free and clear of all liens, claims and encumbrances of any nature whatsoever.

2.1.3 Sellers.

(a) Each Seller owns that number of the Shares set forth opposite such Seller's name on Exhibit A hereto and at Closing such Shares shall be free and clear of all liens, claims and encumbrances of any nature whatsoever, and upon delivery to FOSS of the stock certificates representing such number of the Shares as provided in Section 1.4 hereof, FOSS will receive good and valid title to such number of the Shares free and clear of all liens, claims and encumbrances of any nature whatsoever. The Shares constitute all of the issued and outstanding capital stock of BMC.

(b) BMC and each Seller has full right, power and capacity to execute and deliver this Agreement and to consummate the transactions contemplated hereby. Except as set forth in Schedule 2.1.3, all authorizations and approvals necessary in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby by each Seller and BMC have been obtained. This Agreement is a valid and binding obligation of each Seller and BMC enforceable in accordance with its terms, except as performance may be limited by bankruptcy, insolvency, moratorium, or other similar laws in effect from time to time affecting creditors' rights generally or by the principles governing the availability of equitable remedies. Except as set forth in Schedule 2.1.3, neither execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby with or without the lapse of time or the giving of notice or both, will, to best knowledge of Sellers: (i) result in the termination of or any breach of any of the terms or provisions of, result in the acceleration of the performance required by, or constitute a default under, any will, deed of trust, trust, employee benefit plan, indenture, mortgage, charter, by-law, contract, lease, agreement or other instrument, or any judgment, decree or order of any federal, state, local or foreign court, regulatory or other governmental body to which any Seller or BMC is a party or by

which any Seller or BMC or any of their respective assets may be bound, or (ii) violate any statute, rule or regulation applicable to any Seller or BMC or the Subsidiaries.

2.1.4 Financial Statements. Except as set forth on Schedule 2.1.4, the books of account of BMC and the Option Corporation and Subsidiaries have been maintained in accordance with generally accepted accounting principles applied on a consistent basis, and such books and records are correct and complete in all material respects, fairly and accurately reflect the income, expenses, assets and liabilities of BMC, Option Corporation and the Subsidiaries and provide a fair and accurate basis for the preparation of the financial statements and tax returns of BMC and the Option Corporation and Subsidiaries. Sellers have delivered to FOSS copies of the balance sheets of BMC and the Subsidiaries as at each of December 31, 1988, 1989, 1990, 1991 and 1992, and the related statements of income and retained earnings, and changes in financial position for the years then ended, including the respective notes thereto and report on supplementary consolidating information, in each case certified by Coopers & Lybrand, independent certified public accountants, and its unaudited balance sheet as at May 31, 1993, and the related unaudited statements of income and retained earnings for the five months then ended (collectively the "Financials"). Except as set forth in Schedule 2.1.4, the Financials, including the notes thereto, are: (i) correct and complete in all material respects, (ii) in accordance with the books and records of BMC and the Subsidiaries in all material respects, and (iii) fairly present the financial position and the results of the operations and changes in financial position of BMC as at and for the periods indicated, in each case and the Financials are prepared in conformity with generally accepted accounting principles applied on a basis consistent throughout the periods indicated. Since May 31, 1993, there has been no material adverse change in the financial condition, assets, liabilities, earnings, or business of BMC and the Subsidiaries as a whole.

2.1.5 Liabilities. Except as set forth on Schedule 2.1.5 and except as and to the extent reflected or reserved against in BMC's May 31, 1993, balance sheet referred to in Section 2.1.4 hereof (the "Balance Sheet"), and except for (i) liabilities not required to be provided for in a balance sheet prepared in accordance with generally accepted accounting principles consistently applied, and (ii) liabilities in the ordinary course of business since May 31, 1993, neither BMC, the Acquired Assets nor any Subsidiary has any liabilities of any nature whatsoever (whether accrued, absolute, contingent or otherwise), including, without limitation, any tax liabilities of any nature whatsoever, due or to become due, whether (1) incurred in respect of or measured by BMC's or any Subsidiary's income, profits, earnings or dividends for any period ending on or prior to the close of business on May 31, 1993, or (2) arising out of transactions entered into, or any state of facts existing, on or prior thereto.

2.1.6 Taxes.

(a) BMC, each of the Subsidiaries, the Option Corporation and Joint Ventures have filed with all appropriate federal, state, local and foreign authorities all tax returns, reports and tax information required by law, regulation, or otherwise to be filed for all taxable periods for which returns have become due.

(b) All items of gross income required to be shown on any return filed by BMC, Option Corporation or the Subsidiaries have been included and any deductions or credits claimed are allowable in accordance with applicable law and regulations. There are no deficiencies in respect of any such return or in respect of any taxes for which returns are not required or for which returns are required but have not been filed. True and complete copies of all federal and state income tax returns filed by BMC, Option Corporation or any of the Subsidiaries for each of their taxable years ended December 31, 1988, through and including December 31, 1991, respectively, have been previously delivered by Sellers to FOSS.

(c) BMC, the Subsidiaries, Option Corporation and Joint Ventures have paid or made adequate provision for the payment of all taxes, penalties or interest which have or may become due for all taxable periods ending on or prior to the Closing Date or have set aside on their books adequate reserves or accruals therefor without regard to any tax legislation with an enactment date in 1993.

(d) With respect to the Balance Sheet, BMC and the Subsidiaries have charged as expenses amounts sufficient to provide for any tax liability determined by annualizing any income or deduction without regard to any tax legislation with an enactment date in 1993.

(e) No tax return of BMC, the Subsidiaries, or Option Corporation or to the best knowledge of Seller, the Joint Ventures is currently under audit.

(f) There is no agreement which is still in effect that has been executed or filed with the Internal Revenue Service or any other taxing authority extending the period for assessment or collection of any income or other taxes for which BMC, any of the Subsidiaries, the Option Corporation or, to the best knowledge of Sellers, the Joint Ventures may be liable.

(g) There are no pending actions or proceedings by any governmental authority for assessment (other than for property taxes not yet payable) or collection of taxes for which BMC, any of the Subsidiaries, the Option Corporation or, to the Sellers' best knowledge, the Joint Ventures, may be liable, and no claim for assessment or collection of taxes for which BMC, any of the Subsidiaries, the Option Corporation or, to the Seller's best knowledge, the Joint Ventures may be liable has been asserted or, to Sellers' best knowledge, threatened.

(h) All taxes and assessments that BMC, the Option Corporation and the Subsidiaries are required by law to withhold or to collect have been duly withheld and collected, and, to the extent due and payable, have been paid over to the proper government authorities, and all withholdings and collections and all other payments due in connection therewith are duly reflected on the Financials.

(i) Schedule 2.1.6 hereto (except with reference to the Option Corporation which shall be delivered within seven (7) days of the date hereof and shall be

subject to FOSS's written approval, which approval shall not be unreasonably withheld) sets forth for the periods since January 1, 1988, (i) a description of the treatment of any item, including, without limitation, depreciation, which differs between the financial statements of BMC, the Option Corporation and the Subsidiaries and BMC's and the Subsidiaries' and Option Corporation's federal income tax returns, (ii) a list of all elections made on the federal income tax returns of BMC or any of the Subsidiaries and Option Corporation which has the effect of either reducing the basis of any asset below its book value for financial statement purposes or deferring income which would otherwise have been reported on a tax return filed before the date hereof to a tax return to be filed after the date hereof, or which resulted in the allowance of any deduction on a tax return filed prior to the date hereof, which would otherwise have been allowable on a tax return to be filed after the date hereof, (iii) with respect to any corporation which is a member of BMC's affiliated group, a statement of the amount and nature of any excess loss account, deferred intercompany transaction and inventory adjustment as defined in the consolidated return regulations, (iv) any agreement between or among BMC and/or any one or more of the Subsidiaries or Option Corporation and/or any one or more other corporations that are members of the affiliated group of which BMC is a member that allocates between or among the parties thereto any federal, state, county, local or other tax, (v) the names of each corporation, partnership, joint venture, trust or other entity of any nature whatsoever that has been dissolved, liquidated, woundup, sold or otherwise disposed of since January 1, 1988, and in which BMC, the Option Corporation or any Subsidiary owned, directly or indirectly, whether of record and/or beneficially, any shares of capital stock or other interest, and (vi) a list of the tax basis as of December 31, 1992 for all depreciable assets of BMC, the Subsidiaries and the Option Corporation.

2.1.7 Accounts Receivable. Except as set forth on Schedule 2.1.7, the accounts receivable, including, without limitation, notes receivable, trade accounts receivable, intercompany accounts receivable and employee receivables, of BMC, the Subsidiaries and Option Corporation arise from valid transactions in the ordinary course of business and are collectible at the aggregate recorded amounts thereof, less the recorded allowance for doubtful accounts (which is adequate and calculated consistent with past practice), without resort to litigation or extraordinary collection activity. For purposes of the next sentence, Sellers warrant that items 1, 3 and 4 set forth on Schedule 2.1.7 are collectible in the amount of \$548,298. To the extent the aggregate amounts for such items collected exceed or fall short of this amount, the threshold amount in Section 5.2.2 shall be increased or decreased (as applicable) by the amount thereof. Neither BMC nor the Subsidiaries or Option Corporation will have at Closing any accounts receivable due from Hayden Investment Corporation or any of its subsidiaries.

2.1.8 Inventories. All inventory of BMC and the Subsidiaries reflected in the Financial Statements and all inventory of the Option Corporation reflected in its financial statements consists of a quality and quantity usable in the ordinary course of business. The quantities of all inventory are reasonable and adequate for the Business.

2.1.9 Property, Plant & Equipment. Except as disclosed on Schedule 2.1.9(a), all property, plant and equipment owned, leased, or chartered by BMC, the Option

Corporation and the Subsidiaries, or which comprise part of the Acquired Assets, is in good operating condition and repair, ordinary wear and tear excepted (except for damages and casualties adequately insured against for which BMC has received or will receive such proceeds), and substantially conform with all applicable ordinances, regulations and building, zoning and other laws. The assessed value of all real property owned by BMC and Subsidiaries or which comprise part of the Acquired Assets and which is located in the State of Washington does not exceed \$200,000. Schedule 2.1.9(b) lists all vessels of BMC, the Option Corporation, the Subsidiaries and Joint Ventures, and those which comprise part of the Acquired Assets, identifies their documentation under the laws of the United States, the classification and rating of ABS, and licensing. Except as set forth in Schedule 2.1.9(c), all such vessels are in seaworthy condition, are current as to all normal maintenance and overhaul cycles, have their normal complement of equipment, and are suitable for the purposes for which they are employed; provided however, this warranty shall expire at Closing subject to Section 3.2.8. Except as disclosed on Schedule 2.1.9(b), none of the vessels were built or rebuilt outside the United States and none were built in whole or in part with funds provided for under § 607 or Title V of the Merchant Marine Act of 1936. With respect to documented vessels listed on Schedule 2.1.9(b), at Closing Sellers and BMC will deliver to FOSS classification and inspection certificates (for hull and engines) for all vessels, together with U.S. Coast Guard Form 1330 certificates of ownership stating all vessels are free from encumbrances.

2.1.10 Title to Properties: Absence of Liens and Encumbrances, Etc. Except as disclosed in Schedule 2.1.10, BMC, the Option Corporation and each Subsidiary own outright all the properties and assets, real or personal, tangible and intangible, of every nature and description (including, without limitation, those reflected in the Balance Sheet, except as to those since sold or otherwise disposed of in the ordinary course of business) used in their respective businesses, and such properties and assets, as well as the Acquired Assets, upon Closing will be free and clear of all liens, claims and encumbrances of any nature whatsoever. Upon Closing, BMC or the Subsidiaries or Option Corporation will have all easements and rights to all real property, including without limitation, easements for ingress and egress, necessary to conduct the Business.

2.1.11 Compliance with Law. To Sellers' best knowledge, except as set forth in Schedule 2.1.11, (a) BMC, each Subsidiary and Joint Venture and the Acquired Assets have been, and are, in compliance with all licenses, franchises, permits and other authorizations to the extent required by applicable law or governmental authorities in connection with the conduct of the Business as previously operated and now operated; and (b) the Business as presently conducted and the Acquired Assets do not violate any applicable law, order, regulation, standard or requirement, including, without limitation, the Williams-Steiger Occupational Safety and Health Act of 1970, as amended, and laws and regulations governing environmental protection and applicable disposal and pollution standards. Neither Sellers, BMC nor any Subsidiary has received any notice of violation of any applicable regulation, ordinance or other law, order, regulation, standard or requirement relating to the operations or property of BMC or any Subsidiary or Joint Venture or any of the Acquired Assets.

2.1.12 Intellectual Properties. BMC, the Option Corporation and the Subsidiaries own or are licensed or otherwise have the full and exclusive right to use all patents, trademarks, trade names, copyrights, technology, know-how, and processes used in or necessary for the conduct of the Business. Set forth on Schedule 2.1.12 is a complete description of all patents, trademarks, tradenames, and copyrights used by BMC, the Subsidiaries, and Option Corporation all applications therefor, and a list of licenses or other agreements related thereto. Schedule 2.1.12 also lists all agreements relating to technology, know-how or processes which BMC or Subsidiaries or Option Corporation are licensed or authorized to use by others. BMC, Option Corporation or a Subsidiary, as applicable, has the sole and exclusive right to use the patents, trademarks, tradenames, service marks, copyright, technology, know-how and processes referred to on Schedule 2.1.12 and the consummation of the transactions contemplated hereby will not alter or impair such rights. No claims have been asserted or threatened as to the title to or use of any such rights or challenging the validity or effectiveness of any such license and Sellers do not know of any valid basis for any such action. Neither BMC, the Subsidiaries, Option Corporation nor Sellers have performed any act which conflicts with or infringes on any such right of third parties and are not aware of any basis for the assertion of any such conflict or infringement by or against them.

2.1.13 Contracts. Except as set forth in Schedule 2.1.13 hereto, neither BMC nor any Subsidiary or Option Corporation is a party to or bound by any (i) oral or written contract not made in the ordinary course of business (including without limitation any noncompetition, exclusive dealing, or similar agreements affecting present or future operations), (ii) employment contract which is not terminable at will or without cost or other liability to BMC, Option Corporation or any Subsidiary, as the case may be, or any successor to either of them, (iii) contract with any labor union, (iv) lease or charter with respect to any property, real or personal, whether as lessor or lessee with a monthly payment in excess of \$1,000, (v) bonus, pension, profit-sharing, retirement, stock purchase, deferred compensation, hospitalization, insurance or other plan providing employee benefits not listed on Schedule 2.1.16, (vi) continuing contract for the future purchase of materials, supplies or equipment, including without limitation, food and fuel, (vii) written contract involving payment by BMC or any Subsidiary or Option Corporation of more than \$10,000 or extending beyond December 31, 1993, or otherwise materially affecting the assets or business of BMC or any Subsidiary or Option Corporation, (viii) charter agreements, service or management agreements, (ix) license or agreement relating in whole or in part to trademarks, trade names, trade secrets, or other proprietary information, (x) agreement or arrangement for the sale of any of its assets or the grant of any preferential rights to purchase any of its assets, property or rights or requiring the consent of any party to the transfer thereof, (xi) agreement with respect to any merger or consolidation, or acquisition or sale of a substantial amount of assets, (xii) power of attorney or other instrument or arrangement authorizing anyone to act for or in any way commit BMC or any Subsidiary or Option Corporation to any action after the Closing, or (xiii) any oral or written contract or agreement with any shareholder, director or officer of BMC, any person directly or indirectly (alone or with others) controlled by, controlling or under common control with any of the foregoing persons, or any member of the immediate family of any of the foregoing persons which will bind BMC or any Subsidiary or Option Corporation after Closing. True

and complete copies of all contracts set forth on Schedule 2.1.13, including all amendments thereto, have been delivered to FOSS. To Sellers' best knowledge, each contract of BMC and the Subsidiaries and Option Corporation constitutes the valid and binding obligation of the respective parties thereto and is enforceable in accordance with its terms, except as performance may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting creditor's rights generally or by the principles governing the availability of equitable remedies. Neither BMC nor any Subsidiary or Option Corporation has received a notice of default or termination from any other party to any such contract. No event which, with or without the passage of time or the giving of notice or both, constitutes a default by BMC or any Subsidiary or Option Corporation which is a party to any such contract has occurred, and Sellers and BMC have no knowledge of any such event on the part of any other party to any such contract.

2.1.14 Certain Lists. Sellers have delivered to FOSS accurate lists and summary descriptions, and true and complete copies of the relevant documents, of the following:

(a) All policies of insurance in force with respect to BMC and each Subsidiary and Option Corporation including, without limitation, those covering or related to employees, liability, properties, vessels, machinery, equipment, furniture, fixtures, products and operations. Such policies, or policies providing substantially the same coverage (which covers such losses and risks and is in such amounts as customary for companies engaged in similar businesses) will be outstanding and fully in force at the Closing. No notice has been received from any insurance company claiming any defects or deficiency. Anticipated future call premiums, if any, have been fully reserved in the Financials.

(b) The names and current annual salary rates of all present directors and officers of each of BMC, the Subsidiaries and Option Corporation and of all employees of each, together with a copy of the salary plan and a summary of the bonuses, incentive compensation and other like benefits, if any, paid to such persons for the fiscal year ended December 31, 1992, and payable to such persons for the fiscal year ending December 31, 1993, and any subsequent period.

(c) The names of all the non-union pensioned employees, if any, of each of BMC and the Subsidiaries and Option Corporation whose pensions are unfunded and their age and ~~current~~ annual unfunded pension rates.

(d) The name of each bank in which BMC or any Subsidiary or Option Corporation has an account or safe deposit box, if any, and the names of all persons authorized to draw thereon or have access thereto.

(e) [Intentionally omitted]

(f) All life insurance policies of BMC or any Subsidiary or Option Corporation is the owner or beneficiary. Except for policy loans to BMC previously

disclosed to Foss in writing, such policies are free of all encumbrances and, except by reason of the death of the person insured, such policies shall be in force at the Closing.

(g) A list of all licenses, permits and other authorizations required by applicable law or governmental authorities in connection with the conduct of the Business.

(h) A list of all real property in which BMC or any Subsidiary has an interest whether as owner or lessee.

(i) A list of (i) the ten (10) largest suppliers to BMC, Option Corporation and the Subsidiaries in terms of purchases during the fiscal year ended December 31, 1992; (ii) the ten largest suppliers to BMC in terms of purchases during the five-month period ended May 31, 1993; and (iii) a statement showing the approximate total purchases from each supplier listed pursuant to the foregoing during the relevant periods.

(j) A list of: (i) the ten (10) largest customers of BMC, Option Corporation and the Subsidiaries in terms of sales during the fiscal year ended December 31, 1992; the ten (10) largest customers in terms of sales during the five-month period ended May 31, 1993; and (iii) a statement showing the approximate total sales to each customer listed pursuant to the foregoing during the relevant periods.

(k) Vessel maintenance print out.

(l) Such other documents and information as FOSS shall have reasonably requested up to two (2) business days before Closing.

2.1.15 Compliance with Laws Relating to Employment. Except as set forth in Schedule 2.1.15(a), BMC and each Subsidiary and Option Corporation have paid or made provision for the payment of all salaries and wages accrued through the date hereof and have complied in all material respects with all federal, state and foreign laws, regulations and orders applicable to it with respect to employment, employment benefits, terms and conditions of employment, and wages and hours. To Sellers' best knowledge, neither BMC nor any Subsidiary has in the past five years engaged in any unfair labor practices as defined in the National Labor Relations Act. There are no unfair labor practices or similar complaints relating to BMC or any Subsidiary pending before the National Labor Relations Board or any other authority. There are no material controversies pending or, to the knowledge of Sellers or BMC, threatened between BMC or any Subsidiary and any of its employees, or any labor union or other collective bargaining unit representing any of its employees. No union or other collective bargaining unit which is not a party to a collective bargaining agreement with BMC or a Subsidiary disclosed pursuant to Section 2.1.13(iii) has been certified or recognized by BMC or any Subsidiary as representing any of its employees. To the best of Sellers' knowledge, except as set forth in Section 2.1.15(b), BMC and each Subsidiary's relations with their respective employees are good.

2.1.16 Employee Benefit Plans.

(a) Except as set forth in Schedule 2.1.16 hereto, neither BMC nor any of the Subsidiaries or, to the Sellers' best knowledge, any Joint Venture currently sponsors, maintains or participates in or is required to contribute to any Employee Pension Benefit Plan (hereinafter referred to as a "Pension Plan"), any Employee Welfare Benefit Plan (hereinafter referred to as a "Welfare Plan"), or any Multiemployer Plan (hereinafter referred to as a "Union Plan") as those terms are defined in the Employee Retirement Income Security Act of 1974 ("ERISA"). The Pension Plans, Welfare Plans and Union Plans set forth in Schedule 2.1.16 will sometimes be collectively referred to hereinafter as "Benefit Plans." All material reports and disclosures relating to the Pension Plans required to be filed with or furnished to any governmental body, agency or court, Pension Plan participants or beneficiaries prior to the date hereof have been timely filed or furnished in accordance with applicable law. There are no actions, suits or claims pending (other than routine claims for benefits) or, to the best knowledge of Sellers and BMC, threatened against any of the Pension Plans. With respect to each Benefit Plan, FOSS has been furnished true and complete copies of (i) the Benefit Plan and all amendments thereto, (ii) all related trust agreements and funding instruments, and all amendments thereto, (iii) if such Benefit Plan is a Pension Plan intended to qualify under Section 401(a) of the Internal Revenue Code (hereinafter referred to as the "Code"), the most recent determination letter issued by the Internal Revenue Service, and (iv) all tax returns and annual reports filed with any governmental agency for the three most recent plan years for which such reports have been filed. There was no liability on the part of BMC or any Subsidiary or, to the Sellers' best knowledge, any Joint Venture for contributions due and unpaid under any such Pension Plan for its most recently completed plan year. All of the representations made in this subparagraph (a) with respect to Pension Plans shall be equally applicable to any Welfare Plans, except that each such representation is expressly limited to Sellers' best knowledge. Schedule 2.1.16 sets forth the contribution percentages under Pension Plans as of the date hereof and all increases in the rate of benefit accrual under such Pension Plans and Union Plans that will be required by any collective bargaining agreement as now in effect. The Pension Plans and related trust agreements, if any, and to the Seller's best knowledge, the Union Plans and related trust agreements, if any, are valid and in full force and effect.

(b) Neither the Sellers, BMC nor any Subsidiary, nor any Pension Plan or trust created thereunder, nor to the Sellers' best knowledge, any Joint Venture, Union Plan or other "party-in-interest" (as defined in ERISA) or "disqualified person" (as defined in Code Section 4975) with respect thereto, has engaged in any "prohibited transaction" (as defined in Code Section 4975) or in any transaction in violation of Section 406 of ERISA.

(c) To the Sellers' best knowledge, each Benefit Plan to which BMC, any Subsidiary, or any Joint Venture is required to make contributions, and all related trust agreements and funding instruments, comply currently, and have complied in the past, both in form and in operation, to the extent applicable, with the provisions of ERISA, the Code, and all other applicable laws, rules and regulations, and each such Benefit Plan, and all related trust agreements and funding instruments, are and have been administered in

accordance with their terms and all of such laws, rules and regulations. All necessary governmental approvals have been obtained for each Benefit Plan, and a favorable determination was made by the Internal Revenue Service as to the qualification under the Code of each Pension Plan; provided, however, that applications have not been made for determination letters with respect to any amendments to any Pension Plan that may be necessary in order to bring such Pension Plan into compliance with the requirements of the Tax Reform Act of 1986.

(d) To the Sellers' best knowledge no Union Plan to which BMC or any Subsidiary or Joint Venture is required to make contributions, nor any related trust thereunder, has incurred any "accumulated funding deficiency" for which an excise tax was, is or will be due under Section 4971 of the Code, and no waiver of any accumulated funding deficiency under Section 412 of the Code has been received by BMC or any Subsidiary or Joint Venture with respect to any such Union Plan.

(e) With respect to any Union Plans listed on Schedule 2.1.16, all contributions required to be made by BMC or any Subsidiary or, to the Sellers' best knowledge, any Joint Venture, have been timely made in accordance with the terms of the applicable collective bargaining contract and the Union Plans related thereto, and neither BMC nor any of the Subsidiaries or Joint Ventures has withdrawn from any such plan through the date hereof. All premiums (including interest and penalties, if any) due the Pension Benefit Guaranty Corporation ("PBGC") with respect to any Union Plan to which BMC or any Subsidiary are required to contribute or, to the Sellers' best knowledge, to which any Joint Venture is required to contribute, have been paid for each plan year for which such premiums were required. To the Sellers' best knowledge, since September 2, 1974, there has been no "reportable event," as defined in Section 4043(b) of ERISA, with respect to any such Union Plan which is or was required to be reported to the PBGC. Except as set forth in Schedule 2.1.16, no filing with the PBGC has been made by BMC, any Subsidiary, or, to the Sellers' best knowledge, any Joint Venture, and, to the Sellers' best knowledge, no proceeding has been commenced by the PBGC, to terminate any Union Plan funded in whole or in part, by BMC or any Subsidiary or Joint Venture. Neither BMC nor any Subsidiary, nor to the Sellers' best knowledge, any Joint Venture has (i) ceased operations at any facility so as to become subject to the provisions of Section 4062(e) of ERISA, (ii) withdrawn as a substantial employer so as to become subject to the provisions of Section 4063 of ERISA, (iii) ceased making contributions, within five (5) years prior to the date hereof, to any Union Plan to which BMC, any Subsidiary, or any Joint Venture had been making contributions, or (iv) made a complete or partial withdrawal from a Union Plan so as to incur "withdrawal liability," as defined in Section 4201 of ERISA (without regard to any waiver or reduction thereof under Section 4207 or 4208 of ERISA).

2.1.17 No Violation, Consents. Except as set forth in Schedule 2.1.17, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby with or without the lapse of time or the giving of notice or both, will (i) violate any provision of the Certificate of Incorporation or bylaws of BMC or any of the Subsidiaries, Option Corporation or corporate Joint Ventures, or Partnership Agreements of the partnership Joint Ventures, or (ii) violate, conflict with, result in the

breach or termination of, constitute a default under, accelerate or otherwise adversely affect the performance or obligations of any party required by, or result in the creation of any lien, charge or encumbrance upon the Acquired Assets, any of the properties or assets of BMC or any of the Subsidiaries or Option Corporation or, to Sellers' best knowledge, the Joint Ventures pursuant to, any indenture, mortgage, deed of trust, contract, lease, agreement or other instrument to which BMC or any of the Subsidiaries, Option Corporation, or owners of the Acquired Assets or Joint Ventures is a party or by which it or any of them or any of their properties or assets may be bound, or violate any judgment, decree or order of any federal, state, local or foreign court, regulatory authority or other governmental body, or any statute, rule or regulation, applicable to BMC or any of the Subsidiaries, Option Corporation or Joint Ventures. Except as set forth in Schedule 2.1.17, no consent, approval, authorization, order, declaration, filing, registration or qualification of or with any court, regulatory authority or other governmental body or other person is required to be made or obtained by any party for the consummation of the transactions contemplated by this Agreement (including the Exhibits hereto).

2.1.18 Litigation. Except as set forth in Schedule 2.1.18 hereto, there are no actions, suits, proceedings, or investigations of any nature pending or, to the knowledge of Sellers, threatened, relating to BMC, any Subsidiary or Option Corporation or, to the Sellers' best knowledge, any Joint Venture, or any of their respective properties or assets of any kind, or the Acquired Assets. Except as set forth in Schedule 2.1.18, neither BMC nor any Subsidiary or Option Corporation or, to Sellers' best knowledge, any Joint Venture is subject to or in default under any outstanding judgment, order, writ, injunction or decree of any court or of any governmental agency or instrumentality, and there is no such judgment, order, writ, injunction, or decree of any kind in effect enjoining or restraining Sellers (in relation to BMC or any Subsidiary, Option Corporation or Joint Venture), BMC, Option Corporation, any Subsidiary, to Sellers' best knowledge any Joint Venture, or any officer or director of BMC (in relation to BMC or any Subsidiary or Joint Venture), from taking any action of any kind. Except as specifically disclosed on Schedule 2.1.18, the matters listed on Schedule 2.1.18 are fully insured or are the contractual liability of third parties and neither the defense thereof nor an adverse judgment therein will adversely affect BMC, Option Corporation or the Subsidiaries.

2.1.19 Certain Events. Except as set forth in Schedule 2.1.19 hereto, neither BMC, Option Corporation nor any Subsidiary has, since December 31, 1992:

- (a) paid or declared any cash dividend or other dividend or distribution with respect to its capital stock;
- (b) purchased, sold or otherwise disposed of, any material assets, or assumed or contracted to assume any material obligations, or waived any substantial right, other than in the ordinary course of business;
- (c) incurred any obligation or liability, whether absolute, contingent or otherwise, other than in the ordinary course of business;

(d) granted any increase in the compensation payable to any officer or employee of BMC or the Subsidiaries or advanced credit to any officer, employee or shareholder of BMC or the Subsidiary;

(e) entered into or amended any bonus, incentive compensation, deferred compensation, profit sharing, retirement, pension, group insurance or other Benefit Plan or Multiemployer Plan or any union, employment or consulting agreement or arrangement or prepaid any amounts due under any consulting agreement or arrangement;

(f) paid any claim or discharged or satisfied any lien or encumbrance or paid any obligation or liability other than (A) as and to the extent reflected in the December 31, 1992 balance sheet, or (B) liabilities incurred after December 31, 1992, in the ordinary course of business;

(g) permitted any policies of insurance covering any property which is material to the Business to lapse or expire without renewal or replacement on substantially the same terms;

(h) taken any other action not in the ordinary course of business, including, without limitation, the entering into of any agreement involving payments by or on behalf of BMC or any Subsidiary of amounts in excess of \$10,000;

(i) prepaid any portion of its long-term debt or paid any portion of its long term debt other than in the ordinary course of business;

(j) entered into any oral or written contract or agreement or any transaction with any shareholder, director or officer of BMC, Option Corporation or any Subsidiary, any person controlling, controlled by or under common control with any of the foregoing persons or any member of the immediate family of any of the foregoing persons except as disclosed on Schedule 2.1.19; or

(k) entered into any agreements with respect to any of the foregoing.

2.1.20 Corporate Records. At Closing, the stock records of BMC, Option Corporation and the Subsidiaries will be current and correct and the minute books will be current, correct and complete for all periods after December 31, 1991.

2.1.21 Foreign Corrupt Practices Act. Neither BMC nor any of its Subsidiaries or the Option Corporation has made, offered or agreed to offer anything of value to any foreign government official, political party or candidate for government office nor has it otherwise taken any action which would cause BMC or the Subsidiaries or Option Corporation to be in violation of Sections 103b or 104 of the Foreign Corrupt Practices of 1977, as amended.

2.1.22 Environmental. Except as set forth in Schedule 2.1.22:

(i) There has been no discharge, disposal, deposit, release, leak, or placement, directly or indirectly, of any hazardous materials or petroleum products in, on or under the Acquired Assets or the properties operated, used, owned or leased by BMC, the Subsidiaries, Option Corporation, or, to Sellers' best knowledge, the Joint Ventures, and no contamination or pollution of surface or ground waters or soil has occurred on or from said properties or in relation to the Business which will result in any liability to BMC, the Subsidiaries, Option Corporation or FOSS.

(ii) Sellers and BMC have no knowledge of any tank, storage vessel, drum or container of any kind that was or presently is located underground on properties operated, used, owned or leased by BMC, Option Corporation or the Subsidiaries and any above-ground tanks are listed on Schedule 2.1.22, are in good condition, have all applicable permits and are adequate for present use;

(iii) BMC, Option Corporation and the Subsidiaries have all necessary permits, licenses, and other authorizations under Environmental Laws (as defined below) for the operation of the Business and the Acquired Assets, and such authorizations are currently valid and neither Sellers, BMC, Option Corporation nor the Subsidiaries has received any notice, complaint, order or inquiry from any person alleging noncompliance with Environmental Laws (as defined below) or calling attention to the need for any remedial or corrective action related thereto;

(iv) None of the Acquired Assets or properties which are or have been owned, used, leased or operated by BMC, the Subsidiaries, Option Corporation or the Joint Ventures are known to Sellers, BMC or the Subsidiaries to be the subject of any investigation by a governmental authority evaluating whether any remedial or corrective action is necessary to respond to a release or threatened release of any hazardous material or petroleum products;

(v) Neither the Acquired Assets, BMC, Option Corporation, the Subsidiaries, or, to the Sellers' best knowledge, the Joint Ventures or any properties which are or have been used, leased or operated by them are in violation of, or to the best knowledge of Sellers, potentially subject to, any corrective or remedial action under any Environmental Laws.

(vi) To Sellers' best knowledge, there is no asbestos, asbestos-containing material, or PCBs at, on, or in the properties which are used, leased or operated by BMC, the Subsidiaries or the Joint Ventures or the Acquired Assets;

(vii) Sellers, BMC, the Acquired Assets, the Option Corporation, the Subsidiaries and, to Sellers' best knowledge, the Joint Ventures, are in compliance with all Environmental Laws related to the Business.

(viii) "Environmental Laws" shall mean any state, federal or local laws and regulations governing environmental protection or remediation or any pollution, discharge or disposal standards, including without limitation, the Oil Pollution Act of 1990, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 and the Resource Conservation and Recovery Act, all as amended.

2.1.23 Real Property Leases. BMC (or the Subsidiary or Option Corporation) enjoys exclusive, peaceful, and undisturbed possession under all leases to which it is a party. No lease or other obligation of BMC (or the Subsidiaries or Option Corporation) as a lessee contains any obligation to purchase real property and no third party has an option to purchase real property as to which BMC, Subsidiaries or Option Corporation is a lessor. Copies of all leases have been previously delivered to FOSS. All leases are valid, subsisting, and enforceable in accordance with their terms, and neither the Sellers nor BMC nor Subsidiary or Option Corporation has received or given any notice of default thereunder nor, to the best knowledge of the Sellers and BMC, is there any basis for such claim.

2.1.24 Public Utility. Except as set forth in Schedule 2.1.24, neither BMC, any Subsidiary, Option Corporation or the Business is subject to regulation under the Public Utilities Holding Company Act, the Interstate Commerce Act or the Investment Company Act of 1940, nor are they subject to regulation pursuant to rules or regulations thereunder. BMC and the Subsidiaries are not a "holding company," or a "subsidiary company" of a "holding company" or an "affiliate" of a "holding company" or of a "subsidiary company" of a holding company, or a "public utility" within the meaning of the PUHCA and the rules and regulations thereunder.

2.1.25 Suppliers. BMC is satisfied with its relationships with all of its suppliers and Sellers have no reason to believe that its supply of any item, services or raw material will be interrupted or terminated in the foreseeable future or, if terminated, that such supply cannot be replaced at reasonable cost within a reasonable period of time. To the Sellers' best knowledge, the acquisition of the Business by FOSS hereunder will not adversely affect BMC's current business relationship with any of its suppliers.

2.1.26 Customers. To Sellers' best knowledge, the acquisition of the Business by FOSS hereunder will not in and of itself adversely affect BMC's business relationship with any of its customers. Copies of all correspondence or other documents relating to complaints received by BMC and the Subsidiaries since January 1, 1990, from any of its customers, whether or not resolved, and any other pending customer complaints have heretofore been furnished to FOSS by BMC. Neither BMC nor the Subsidiaries has any obligation to accept any returns from or make any allowance to any customers by reason of alleged overshipments, defective services or merchandise.

2.1.27 No Misrepresentations. No representation or warranty by Sellers contained in this Agreement and the Schedules hereto, and no schedule, certificate or other instrument or document furnished or to be furnished by or on behalf of Sellers pursuant to this Agreement, contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact required to be stated herein or therein or which is

necessary to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading.

2.1.28 Best Knowledge. For purposes of those representations in Section 2.1 which relate to the Joint Ventures and which are made to Sellers' best knowledge and in Sections 2.1.22 and 2.1.17 as related to compliance with Environmental Laws by prior owners of the properties of BMC, the Subsidiaries, Option Corporation or Joint Ventures, "best knowledge" shall mean Sellers' best current knowledge.

2.2 Representations and Warranties of FOSS. FOSS represents and warrants to Sellers and agrees as follows:

2.2.1 Organization; Good Standing; Power and Authority; Effective Agreement. FOSS is a corporation duly organized, validly existing and in good standing under the laws of the State of Washington, is a citizen of the United States as defined in Section 2 of the Shipping Act of 1916, as amended, for purposes of operation in the coastwise trade and has the corporate power and authority to carry on its business as it is now conducted, and to own, lease and operate its properties. FOSS has the necessary corporate power and authority to execute and deliver this Agreement and will at Closing have taken all necessary corporate action to consummate the transactions contemplated hereby. The execution and delivery of this Agreement has been duly authorized by the Board of Directors of FOSS. This Agreement is a valid and binding obligation of FOSS, enforceable against it in accordance with its terms, except as performance may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally or by the principles governing the availability of equitable remedies.

2.2.2 No Violation. Except as set forth in Schedule 2.2.2, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby with or without the lapse of time or giving of notice or both, will (i) violate any provision of the Articles of Incorporation or bylaws of FOSS or (ii) violate, conflict with, result in the breach or termination of, or constitute a default under, accelerate or otherwise adversely affect the performance or obligations of any party required by, or result in the creation of any lien, charge or encumbrance upon any of the properties or assets of FOSS pursuant to, any indenture, mortgage, deed of trust, contract, lease, agreement or other instrument to which FOSS is a party or by which it or any of its properties or assets may be bound, or violate any judgment, decree or order of any federal, state, local or foreign court, regulatory authority or other governmental body, or any statute, rule or regulation, applicable to FOSS.

2.2.3 Consents. Except as set forth in Schedule 2.2.3, no consent, approval, authorization, order, registration or qualification of or with any court, regulatory authority, governmental body or other person is required to be made or obtained by FOSS for the consummation by FOSS of the transactions contemplated by this Agreement.

2.2.4 Litigation. There are no actions, suits, proceedings or investigations of any nature pending or, to the knowledge of FOSS, threatened against FOSS that challenge

the validity or propriety of the transactions contemplated by this Agreement or seek to delay, prohibit or restrict in any manner, any action taken or to be taken by FOSS under this Agreement.

2.2.5 Investment Intent. FOSS is acquiring the Shares for its own account for investment only and not with a view to, for resale in connection with, or with an intent of participating directly or indirectly in, any distribution of the Shares within the meaning of the Securities Act of 1933, as amended (the "Act"). FOSS understands and agrees that the sale of the Shares to FOSS has not been registered under the Act or any state securities laws, and that the Shares may not be resold without registration under the Act or applicable state securities laws or an exemption therefrom.

2.2.6 No Misrepresentations. No representation or warranty by FOSS contained in this Agreement and the Schedules hereto, and no schedule, certificate or other instrument or document furnished or to be furnished by or on behalf of FOSS pursuant to this Agreement, contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact required to be stated herein or therein or which is necessary to make the statements contained herein or therein, in light of the circumstances in which they were made, not misleading.

ARTICLE III.

COVENANTS

3.1 Covenants of Sellers and BMC.

3.1.1 Operate in Ordinary Course. From and after the execution and delivery of this Agreement and until the Closing, Sellers and BMC agree to conduct the Business and operations of BMC and each of the Subsidiaries in the ordinary course consistent with past practices and use their best efforts to preserve intact the respective businesses, organizations and relationships with employees, agents, and others having business dealings with BMC or the Subsidiaries.

3.1.2 Certain Prohibited Transactions. Prior to the Closing, BMC and each of the Subsidiaries will not, without the prior written consent of FOSS (which consent will not be unreasonably withheld):

(a) amend its Articles of Incorporation, Certificate of Incorporation or bylaws;

(b) pay or declare any cash dividend or other dividend or distribution with respect to its capital stock;

(c) except as set forth on Schedule 3.1.2, issue, transfer, sell or deliver any shares of its capital stock (or securities convertible into or exchangeable, with or without additional consideration, for such capital stock);

(d) except as set forth on Schedule 3.1.2, purchase, or otherwise acquire for any consideration, any outstanding shares of its capital stock (or securities carrying the right to acquire, or convertible into or exchangeable with or without additional consideration for, such capital stock);

(e) grant any option, warrant, right, call or commitment of any character relating to its issued, unissued or treasury shares of capital stock or enter into voting trusts or other agreements or understandings with respect to the voting of its capital stock;

(f) sell or otherwise dispose of, or grant any security interest in or encumbrance on, any of its assets or properties other than in the ordinary course of business;

(g) incur any indebtedness for borrowed money, except for indebtedness incurred in the ordinary course of business the repayment term of which does not exceed one year;

(h) enter into or implement any new bonus, pension, profit-sharing, retirement, stock purchase, deferred compensation, hospitalization, insurance or other plan providing employee benefits, or amend the terms of any such plans which are in existence;

(i) enter into any employment, consulting or similar contract;

(j) increase the compensation, deferred compensation or benefits payable to any employee (except in the ordinary course of business or as required by law) or advance credit to any employee or shareholder;

(k) enter into any oral or written contract or agreement or any transaction with any shareholder, director, or officer of BMC or any Subsidiary, any person controlling, controlled by or under common control with any of the foregoing persons or any member of the immediate family of any of the foregoing person which will bind BMC or any Subsidiary after the Closing;

(l) make any capital expenditure in excess of \$10,000 (except for capitalized maintenance expenditures up to \$25,000 per item and disclosed improvements to the GLACIER BAY);

(m) prepay any portion of its Debt in excess of normal installment payments when due;

(n) enter into any commitment or transaction (including, without limitation, with respect to the disposition of assets) other than in the ordinary course of business, except as expressly contemplated by this Agreement;

(o) take any action, or by inaction permit any action to be taken or event to occur, which would cause any representation or warranty made in or pursuant to Section 2.1 of this Agreement to be untrue as of the Closing; or

(p) enter into any agreements with respect to any of the foregoing.

3.1.3 Information. From and after the execution and delivery of this Agreement and until the Closing, Sellers and BMC shall provide FOSS with such information and permit the representatives of FOSS such access to the properties and records of BMC, the Option Corporation and the Subsidiaries (including without limitation financial records and personnel files) and related to the Acquired Assets during normal business hours as from time to time may be reasonably requested by FOSS and/or its representatives.

3.1.4 Confidentiality.

(a) All information, whether printed, written, photographic, pictorial or oral, in answer to specific inquiry or voluntarily furnished by FOSS to Sellers or BMC or their respective agents or employees prior to Closing, in connection with this Agreement and the transactions contemplated hereby, shall be held in confidence by such recipients; provided, however, FOSS consents to the prior disclosure by BMC and Sellers to the persons or entities set forth on Schedule 3.1.4 concerning execution of the letter of intent between BMC and FOSS.

(b) Without the prior written consent of FOSS, Sellers, BMC and the Subsidiaries will not use for their own benefit or for the benefit of any other person, corporation or other business entity, or disclose in any manner to any person, corporation or other business entity, any trade secrets, or confidential or proprietary information (including, without limitation, knowledge relating to clients, sales, projects in development, designs, plans or employees) obtained from FOSS prior to Closing in connection with this Agreement. From and after the Closing, Sellers will not use for their own benefit or for the benefit of any other person, corporation or business entity, any trade secrets, or confidential or proprietary information of BMC or the Subsidiaries except for disclosures authorized in writing by BMC or FOSS.

(c) The preceding restrictions on the use and disclosure of information shall not apply if that information is available to the general public on a nonconfidential basis through no fault of Sellers, BMC or the Subsidiaries, or if that information was obtained from a third party who Sellers reasonably believe not to be in breach of any duty or obligation to FOSS as a result of providing such information.

(d) Upon the termination of this Agreement and the abandonment of the stock purchase contemplated hereby, all documents and written, photographic and

pictorial information, and all copies thereof, provided by FOSS to the Sellers, BMC or the Subsidiaries shall be returned to it.

(e) Sellers acknowledge and agree that the remedy at law for breach of any of the preceding covenants may be inadequate and agree and consent that temporary or permanent injunctive relief may be granted in lieu of, or in addition to, money damages in any proceeding which may be brought to enforce the covenants in this subparagraph 3.1.4, without the necessity of proof of actual damages.

(f) If the scope of these restrictions is too broad to permit enforcement of any restriction to its fullest extent, such restriction shall be enforced to the maximum extent permitted by law or may be judicially modified accordingly in any proceeding brought to enforce such restriction.

3.1.5 Shares. Except as set forth in Schedule 3.1.5, until the Closing no Seller shall (i) sell, transfer, assign or convey title to any of the number of Shares set forth under Column A opposite such Sellers name on Exhibit A hereto, (ii) create or permit any other person to create any lien, claim, pledge, equity or encumbrance against such Shareholder's good and valid title to any of such Shares, (iii) take any action, or by inaction permit any action to be taken or any event to occur, which would cause any representation made in or pursuant to this Agreement to be untrue as of the Closing, or (iv) enter into any agreement or understanding to take any action prohibited by (i), (ii) or (iii) above.

3.1.6 Satisfaction of Conditions. Sellers and BMC shall use their best efforts, and take all such actions as may be reasonably necessary or appropriate, to cause (i) the satisfaction of the conditions referred to in Section 4.2 of this Agreement, and (ii) the consummation of the transactions contemplated by this Agreement.

3.1.7 Notices. Sellers shall give prompt notice to FOSS of the occurrence or failure to occur of any event which would be likely to cause any representation or warranty herein to be inaccurate or untrue in any material respect from the date hereof to Closing and any material failure to comply with or satisfy any covenant, condition or agreement to be satisfied or complied with by then hereunder.

3.1.8 Agreements. Sellers shall deliver at Closing an Employment Agreement in the form attached as Exhibit B, duly executed by Peter J. Brix; Noncompetition and Consulting Agreements in the form[s] attached as Exhibits C, duly executed by Peter J. Brix, Ellison Morgan and Robert DeArmond and a Consulting Agreement duly executed by Joseph Tennant; Real Estate Acquisition Agreement substantially in the form attached hereto as Exhibit D, duly executed by Peter J. Brix; four separate Vessel and Equipment Acquisition Agreements substantially in the form attached hereto as Exhibit E, duly executed by Knappton Leasing, Enterprise Partners, Hayden Investors and Tri Ocean Charters, Inc.; Purchase Option and Right of First Refusal in Longview Booming Company, Inc., substantially in the form attached hereto as Exhibit F, duly executed by all of the parties thereto; Right of First Refusal and Charter and Vessel Acquisition Agreement substantially in the form attached as Exhibit G, duly executed by

Peter J. Brix; and Right of First Refusal for Hayden Investment Corporation substantially in the form attached as Exhibit H, duly executed by all of the parties thereto; John Altstadt's consent to the assignment of the option regarding the Option Corporation to FOSS or its designee and warranties and covenants regarding operations of the Option Corporation in the ordinary course of business during the period between execution and Closing, shall be obtained on terms satisfactory to FOSS.

3.1.9 Disclosure. Subject to the requirements of applicable laws and regulations, from the date hereof, BMC shall not, prior to Closing, make any public announcement or disclosure with respect to the transactions contemplated herein without the consent of FOSS with respect thereto.

3.1.10 Hart-Scott. BMC shall file within two (2) days of the date hereof a Notification and Report Form under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended ("HSR"), and shall promptly make all further filings and take all further actions as may be necessary under HSR relating to the transactions contemplated by this agreement, as soon as practicable.

3.1.11 Employees. At Closing, \$200,000 of the purchase price for the Shares shall be deposited into an interest-bearing escrow account for BMC, the Subsidiaries, and Option Corporation to use for payment of severance pay to salaried employees who are terminated within 18 months after the Closing Date. Payments shall be calculated by two weeks' pay for every full year of service as an employee accrued to the date of termination except for terminations due to conduct involving moral turpitude. The determination of payments and withdrawals from the account shall be made solely by BMC or FOSS. Any amounts remaining in said account as to which no claims have been made by FOSS or BMC or the Subsidiaries within 19 months of the Closing Date, shall be distributed to Sellers or their designee. FOSS or BMC shall not terminate participants in the BMC Stock Appreciation Rights Plan dated October 1988 before October 1993 except as provided therein. Nothing in this Section 3.1.11 is intended to confer upon any person, other than Sellers, FOSS, BMC and its Subsidiaries, any rights or remedies of any nature whatsoever.

3.1.12 Excise Taxes. Within the periods required by law, Sellers and FOSS shall prepare and file all Washington State real estate excise tax returns required to be filed as a result of the transactions contemplated by this Agreement and simultaneously therewith, or earlier if required by law, FOSS or BMC shall pay all Washington State real estate excise taxes due.

3.2 Covenants of FOSS.

3.2.1 Confidentiality.

(a) All information, whether printed, written, photographic, pictorial or oral, in answer to specific inquiry or voluntarily furnished by BMC, any Subsidiary or any of the Sellers to FOSS, its agents or employees, in connection with this Agreement and the transactions contemplated hereby, shall be held in confidence by FOSS; provided, that after the Closing this covenant shall terminate except with respect to (i) information obtained by FOSS from Sellers about their personal affairs, and (ii) information obtained by FOSS from Sellers related to Brusco Tug & Barge, Inc., or Sellers' affiliates, Hayden Investment Corporation and its subsidiaries, Longview Booming Co., Inc., and St. John's Group, Inc. which information received in written form shall be returned to Sellers on or before Closing.

(b) Without prior written consent of BMC (or, with respect to such types of information related to the affairs of any of the Sellers, without the prior written consent of the Seller to whom or to which such information relates) FOSS will not use for its own benefit or for the benefit of any other person, corporation or other business entity, or disclose in any manner to any person, corporation or other business entity, any trade secrets, or confidential or proprietary information (including, without limitation, knowledge relating to clients, sales, projects in development, designs, plans or employees) belonging to or relating to the affairs of BMC, any Subsidiary or any of the Sellers and obtained in connection with this Agreement; provided that after the Closing this covenant shall terminate except with respect to (i) information obtained by FOSS from Sellers about their personal affairs, and (ii) information obtained by FOSS from Sellers related to Brusco Tug & Barge, Inc., or its affiliates, Hayden Investment Corporation and its subsidiaries, Longview Booming Co., Inc., and St. John's Group, Inc. (subject to the terms of Exhibits F and H).

(c) The preceding restrictions on the use and disclosure of information shall not apply if that information is available to the general public on a nonconfidential basis through no fault of FOSS, or if that information was obtained from a third party who FOSS reasonably believes not to be in breach of any duty or obligation to BMC, any Subsidiary or any of the Sellers as a result of providing such information.

(d) Upon the termination of this Agreement and the abandonment of the stock purchase contemplated hereby, all documents and written, photographic and pictorial information, and all copies thereof, provided by BMC, any Subsidiary or any of the Sellers to FOSS shall be returned to the party which has provided such documents and information.

(e) FOSS acknowledges and agrees that the remedy at law for breach of any of the preceding covenants may be inadequate and agrees and consents that temporary or permanent injunctive relief may be granted in lieu of, or in addition to, money damages in any proceeding which may be brought to enforce the covenants in this subparagraph 3.2.1, without the necessity of proof of actual damages.

(f) If the scope of these restrictions is too broad to permit enforcement of any restriction to its fullest extent, such restriction shall be enforced to the maximum extent permitted by law or may be judicially modified accordingly in any proceeding brought to enforce such restriction.

3.2.2 Satisfaction of Conditions. FOSS shall use its best efforts, and take all such actions as may be reasonably necessary or appropriate, to cause (i) the satisfaction of the conditions referred to in Section 4.1 of this Agreement, and (ii) the consummation of the transactions contemplated by this Agreement.

3.2.3 Disclosure. Subject to the requirements of applicable laws and regulations, FOSS shall not, prior to Closing, make any public announcement or disclosure with respect to the transactions contemplated hereon without the consent of Sellers with respect thereto.

3.2.4 Hart-Scott. FOSS shall file within two (2) days of the date hereof a Notification and Report Form under HSR and shall promptly make all further filings and take all further actions as may be necessary under HSR relating to the transactions contemplated by this Agreement, as soon as practicable.

3.2.5 Pre-Closing Environmental Audit. Prior to Closing, FOSS at its sole cost and expense shall have the right to perform an environmental inspection and audit of BMC, the Option Corporation and the Subsidiaries and the Acquired Assets. In the event that it reveals any environmental condition which FOSS is unwilling at its cost and expense to remedy (including without limitation, items set forth on the Schedules hereto), or which FOSS believes cannot be effectively and practically remediated, FOSS may terminate this Agreement at any time prior to Closing by giving Sellers written notice of such termination. If Sellers tender to FOSS reasonable assurances that Sellers can and shall at their sole cost and expense, remedy, to FOSS's satisfaction, the items specified in the notice of termination with all reasonable diligence but in no event later than six months after the Closing Date and without material disruption of FOSS's operation of the Business, then the notice of termination shall be voided. Conditions which are revealed in the inspection and audit conducted by FOSS under this Section which do not result in termination shall not give rise to liability by Sellers for breach of Section 2.1.22 or indemnity under Section 5.2. To the extent Sellers must perform any remedial work under this section after the Closing Date, FOSS shall grant Sellers and their contractors reasonable access to the properties to perform such work.

3.2.6 Payment of Purchase Price. Subject to all terms and conditions of this Agreement, FOSS covenants to pay the Purchase Price under Section 1.3 upon Closing.

3.2.7 Due Diligence. Prior to Closing, FOSS will be investigating the records and properties of BMC. FOSS agrees to advise Sellers prior to Closing of any state of facts discovered by the individuals identified in Schedule 3.2.7(a) prior to Closing which would render Sellers' representations and warranties contained herein untrue or misleading in a material respect. To the extent Sellers or those BMC individuals identified in Schedule

3.2.7(b), or any of them, do not have actual knowledge of any such state of facts and the individuals listed on Schedule 3.2.7(a) have actual knowledge thereof and fail to notify Sellers as required above, the applicable representation and warranty known to be untrue or misleading shall be unenforceable solely with regard in such state of facts. In all other respects, the representations and warranties of Sellers remain unaffected.

3.2.8 Vessel Inspection. Prior to Closing, FOSS at its sole cost and expense shall have the right to inspect the vessels of BMC, Subsidiaries and Option Corporation and comprising the Acquired Assets. In the event it reveals conditions which are in breach of the warranty in Section 2.1.9, FOSS may terminate this Agreement by giving Sellers written notice of such.

ARTICLE IV.

CONDITIONS

4.1 Conditions to the Obligations of Sellers. The obligations of Sellers to consummate the transactions contemplated by this Agreement are subject, at Sellers' option, to the satisfaction of the following conditions at or prior to Closing:

4.1.1 Compliance by FOSS. All the terms, covenants and conditions of this Agreement required to be complied with and satisfied by FOSS at or prior to the Closing Date shall have been duly complied with and satisfied in all respects, and the representations and warranties made by FOSS shall be true and correct in all respects at and as of the Closing Date, except for those specifically relating to a time or times other than the Closing Date (which shall be true and correct in all respects at such time or times) and except for changes permitted by this Agreement, with the same force and effect as if made at and as of the Closing Date.

4.1.2 Opinion of Counsel. There shall have been delivered to Sellers an opinion of Garvey, Schubert & Barer in form and substance satisfactory to Seller's counsel to be attached as Exhibit I.

4.1.3 Officer's Certificate. FOSS shall have delivered to Sellers a certificate signed by its President and Secretary dated the Closing Date, certifying to the fulfillment of the conditions specified in Section 4.1.1 hereof.

4.1.4 Litigation. There shall be no order, decree or judgment of any court, regulatory authority or other governmental body having competent jurisdiction enjoining or otherwise affecting the consummation of the transactions contemplated by this Agreement.

4.1.5 Corporate Documents. Sellers shall have received from FOSS resolutions adopted by the Board of Directors of FOSS approving this Agreement and the transactions contemplated hereunder, certified by the Secretary.

4.1.6 Consents. FOSS shall have obtained the consents and approvals as set forth in Schedule 2.2.3.

4.1.7 Hart-Scott. At or prior to the Closing, the filing and waiting period requirements, including extensions thereto, under HSR relating to the transactions contemplated by this Agreement shall have been complied with.

4.2 Conditions to the Obligations of FOSS. The obligations of FOSS to consummate the transactions contemplated by this Agreement are subject, at FOSS's option, to the satisfaction of the following conditions at or prior to Closing:

4.2.1 Tender of Certificates. Each Seller shall have tendered stock certificates representing all of the number of the Shares set forth under Column A opposite such Seller's name on Exhibit A hereto, duly endorsed for transfer or accompanied by properly executed stock powers, with all requisite stock transfer stamps affixed thereto at no cost to FOSS. Sellers shall have done, executed, acknowledged, and delivered to FOSS and/or caused to have been done, executed, acknowledged and delivered to FOSS all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and instruments, whether by or from Sellers or third parties, as FOSS in its sole discretion, may have deemed to be required to convey and transfer to and vest in FOSS, and protect its right, title and interest in and enjoyment of, the Shares and the Acquired Assets.

4.2.2 Compliance by Sellers and BMC. All the terms, covenants and conditions of this Agreement required to be complied with and satisfied by Sellers or BMC at or prior to the Closing Date shall have been duly complied with and satisfied in all respects, and the representations and warranties made by Sellers shall be true and correct in all respects at and as of the Closing Date, except for those specifically relating to a time or times other than the Closing Date (which shall be true and correct in all respects at such time or times) and except for changes permitted by this Agreement, with the same force and effect as if made at and as of the Closing Date.

4.2.3 Opinion of Counsel. There shall have been delivered to FOSS an opinion of Schwabe, Williamson and Wyatt, dated the Closing Date in form and substance satisfactory to FOSS's counsel to be attached as Exhibit J.

4.2.4 Sellers' Certificates. Sellers shall have delivered to FOSS certificates signed by each Seller dated the Closing Date, certifying to the fulfillment of the conditions specified in Section 4.2.2 and 4.2.5. Sellers shall have delivered all such other certificates and documents with respect to Sellers, BMC and the Subsidiaries as may reasonably have been requested by FOSS.

4.2.5 No Material Adverse Change. During the period from December 31, 1992, to the Closing, there shall not have been any material adverse change in the financial condition or results of operations of BMC or the Subsidiaries and neither BMC nor any Subsidiary shall have sustained any material loss, or damage to its assets, whether or not insured, that materially affects the Business as it presently operates or the Acquired Assets.

4.2.6 Resignations/Change of Bank Accounts. Sellers shall have delivered to FOSS written resignations of all officers and directors of BMC and the Subsidiaries effective as of the Closing. Except as mutually agreed by the parties, no member of the management of BMC shall have resigned (or given notice of resignation), had his employment terminated, or become disabled from performing his duties. Sellers shall have delivered to FOSS evidence of changing the authorized signatories on all bank accounts of BMC and the Subsidiaries to individuals to be designated by FOSS.

4.2.7 Consents. Sellers and BMC shall have obtained and delivered all consents, approvals and waivers from governmental authorities and other persons necessary to permit Sellers, BMC and the Subsidiaries to consummate the transactions hereunder.

4.2.8 Agreements. Sellers shall have delivered to FOSS executed agreements pursuant to Section 3.1.8, in the form attached as Exhibits B through H hereto.

4.2.9 Litigation. No suit, action, investigation, inquiry or proceeding by any governmental body or other person shall have been instituted or threatened against Sellers, FOSS, BMC or the Subsidiaries which could affect the validity or legality of the transactions contemplated hereunder or which could prevent FOSS from continuing to operate the Business in all respects as on the date hereof.

4.2.10 Corporate Documents. FOSS shall have received from BMC resolutions of the Board of Directors approving this Agreement and the transactions contemplated hereby, certified by the corporate secretary. Sellers shall have delivered to FOSS (i) certificates of good standing for BMC and each of the Subsidiaries from the respective jurisdictions of incorporation dated within 5 business days of the Closing Date and (ii) complete and correct copies of the Articles of Incorporation (certified by the Secretary of State within 5 business days of Closing) and By-laws for BMC and the Subsidiaries, as amended and in effect on the date of Closing, as certified by the corporate secretary.

4.2.11 Hart-Scott. At or prior to the Closing, the filing and waiting period requirements, including extensions thereto, under HSR relating to the transactions contemplated by this Agreement shall have been complied with.

4.2.12 Audits. No notice of termination by Foss shall be outstanding under Sections 3.2.5 or 3.2.8.

4.2.13 Payments to and from Affiliates. At Closing, all amounts due from Hayden Investment Corporation and its Subsidiaries to BMC and its Subsidiaries shall be paid in full.

ARTICLE V.

SURVIVAL OF REPRESENTATIONS; INDEMNIFICATION

5.1 Survival. Except as expressly provided in Section 2.1.9, all representations, warranties, covenants, indemnities and agreements contained in or made pursuant to this Agreement (including Schedules hereto) by Sellers or FOSS (but not BMC) shall survive the Closing and any investigation conducted prior thereto by any party for a period of eighteen (18) months (unless a claim for indemnity has been timely made within such period as set forth below); provided, however, that with respect to the representations and warranties contained in or made pursuant to Sections 2.1.6 and 2.1.22, and the indemnity of FOSS under Section 5.2.1(iii) such representations and warranties shall survive until termination of the applicable statutory or assessment period. Any claim for indemnification made following such periods of survival shall be untimely and unenforceable.

5.2 Indemnification.

5.2.1 By FOSS. After the Closing and subject to Section 5.2.3, FOSS shall indemnify, defend and hold Sellers, their successors, heirs and assigns harmless from and against (i) any claims, damages, losses, fees, liabilities, costs or expenses (including, without limitation, reasonable attorneys' fees) (collectively "Loss") after the Closing related to Debt which FOSS, in its sole discretion, expressly agrees in writing referencing this paragraph to have BMC assume at Closing, (ii) Losses in excess of \$250,000 in the aggregate resulting from any misrepresentation, breach of warranty or covenant or non-fulfillment of any agreement on the part of FOSS hereunder which is not waived in writing expressly referencing this paragraph by Sellers at Closing; and (iii) Losses relating to the Environmental Laws (as defined in § 2.1.22) which are incurred and arise out of operations of the Business conducted after the Closing.

5.2.2 By Sellers. After the Closing and subject to Section 5.2.3, Sellers shall pro rata (based upon each Seller's percentage of the Shares sold hereunder) indemnify, defend and hold FOSS, BMC and the Subsidiaries, their directors, officers, employees, affiliates, successors and assigns, harmless from and against Loss in excess of \$250,000 (as adjusted pursuant to Schedule 2.1.7) in the aggregate resulting from any misrepresentation, breach of warranty or covenant or non-fulfillment of any agreement on the part of Sellers hereunder which is not waived in writing expressly referencing this paragraph by FOSS at Closing.

5.2.3 Notice/Defense. Upon discovery of any breach or claim hereunder or upon receipt of any notice of any claim or suit subject to indemnification under Sections 5.2.1 or 5.2.2 above, the party seeking indemnification ("Indemnified Party") shall promptly give notice thereof (and in no event later than 20 days after receipt of actual notice thereof) to the party or parties from whom indemnification is sought ("Indemnifying Party") at the notice address pursuant to Section 7.4 stating in reasonable detail the representation, warranty or other claim with respect to which indemnity is demanded, the facts or alleged facts giving rise thereto, and the amount of liability or asserted liability with respect to which

indemnity is sought and in the case of a claim asserted against Indemnified Party shall thereafter tender to the Indemnifying Party the defense of such claim at the sole cost and expense of the Indemnifying Party. Despite such a tender of defense, the party seeking indemnification shall in any case have a right to participate in the defense of any such tendered claim or suit; provided that such participation shall be at such party's sole cost and expense after the Indemnifying Party has accepted such tender of defense. In the event that the Indemnifying Party does not promptly and affirmatively accept such tender of defense of any claim or suit, then the Indemnifying Party shall thereafter additionally become liable for all costs incurred by the party seeking indemnification (including reasonable attorneys' fees) in enforcing such indemnification claim and/or defending against such claim or suit which is subject to indemnification. No party which is entitled to indemnification under Sections 5.2.1 or 5.2.2 shall settle or compromise any such third party claim without the prior written consent of the party or parties from whom it seeks or may seek indemnification, which consent shall not be unreasonably withheld. Any party seeking indemnification under Sections 5.2.1 or 5.2.2 shall take all reasonable actions in the defense of third party claims for which indemnification is sought. If notice is not given to the Indemnifying Party as specified, or if any claim or suit be compromised or settled in any manner without the prior written consent (which consent shall not be unreasonably withheld) of the Indemnifying Party, then no liability shall be imposed upon the Indemnifying Party hereunder with respect to such claim.

5.2.4 Offsets. Without prejudice to, and not in limitation of, any other remedies or relief to which any Indemnified Party may be entitled to under this Agreement or otherwise, the Indemnifying Party agrees to pay to such Indemnified Party the amount of cash which would then be required to put such Indemnified Party in the position which it would have been in had such representation or warranty been true, correct and complete, or had such covenant or agreement been performed, complied with or fulfilled. For purposes of this Article V, "Loss" shall mean net loss to the Indemnified Party, after offsetting for net insurance proceeds, net tax benefits or other offsets received after the Closing by the Indemnified Party and directly relating to such Loss; provided, however, nothing herein shall permit or require offsets to be calculated by reference to, or authorize access to, the books of account or tax returns of any parent corporation of the Indemnified Party except as may be necessary to determine any applicable offset and the value of any net tax benefits shall be determined with reference to the present value thereof based upon the Prime Rate, then in effect by Bank of America, Portland, Oregon, main branch. It being understood that, to the extent a Loss for which payment is sought hereunder is compensated for by insurance for which the Indemnified Party is an insured or loss payee, the Indemnifying Party's indemnification liability hereunder is limited to the uninsured portion thereof as follows: (A) any amount which Indemnifying Party is obligated to pay Indemnified Party hereunder shall be reduced by the amount of net insurance proceeds received by Indemnified Party prior to such payment by Indemnifying Party with respect to the Loss for which such payment is sought hereunder; and (B) if, at any time after such payment is made by Indemnifying Party to Indemnified Party hereunder, Indemnified Party shall receive insurance proceeds with respect to the loss for which such payment was previously made

hereunder, such party shall reimburse to Indemnifying Party the amount by which the payment would have been reduced had such insurance been received prior to such payment by Indemnifying Party. All parties shall take all reasonable actions to preserve its or their rights to, and to obtain, any such insurance proceeds available with respect to any such Loss.

ARTICLE VI.

ABANDONMENT; AMENDMENT AND WAIVER

6.1 Abandonment. This Agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the Closing:

6.1.1 by written agreement between Sellers and FOSS;

6.1.2 by Sellers if any of the conditions set forth in Section 4.1 hereof shall not have been fulfilled and shall not have been waived pursuant to Section 6.2.2 hereof prior to December 31, 1993; and

6.1.3 by FOSS as provided in Sections 3.2.5 or 3.2.8, or if any of the conditions set forth in Section 4.2 hereof shall not have been fulfilled and shall have not been waived pursuant to Section 6.2.2 hereof prior to December 31, 1993.

In the event this Agreement is terminated and the transactions contemplated hereby are abandoned pursuant to this Section 6.1 above, this Agreement (other than the provisions hereof relating to the confidential treatment of information), shall become void and of no further force and effect, without any liability on the part of any of the parties hereto or their respective stockholders, directors or officers; provided, however, that if this Agreement is terminated pursuant to Section 6.1.2 or 6.1.3 above because a party hereto has not performed its covenants under Article III hereof with respect to the fulfillment of the conditions to Closing, the party terminating this Agreement shall be entitled to enforce any and all rights and remedies that it may have under Section 5.2, or at law or in equity against the other parties to this Agreement.

6.2 Amendment and Waiver.

6.2.1 Amendment. Sellers and FOSS may only amend this Agreement in writing at any time prior to the Closing.

6.2.2 Waiver. The provisions of this Agreement may be waived only in writing signed by the party or parties entitled to the benefit thereof. A waiver of any breach or failure to enforce any provision of this Agreement shall not in any way affect, limit or waive a party's rights hereunder at any time to enforce strict compliance thereafter with every provision of this Agreement.

ARTICLE VII.

MISCELLANEOUS

7.1 Further Assurances. Sellers shall, at any time and from time to time after the Closing Date, upon request of FOSS, do, execute, acknowledge and deliver and cause to be done, executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and instruments, whether by or from Sellers or third parties, as FOSS may reasonably request in order to convey and transfer to and vest in FOSS, and protect its right, title and interest in and enjoyment of, the Shares and the Acquired Assets.

7.2 BMC and Subsidiaries. Sellers shall cause BMC and the Subsidiaries to take all action to be taken hereunder by BMC and the Subsidiaries and to refrain from taking all action to be refrained from hereunder by BMC and the Subsidiaries.

7.3 Finder's Fee. No party to this Agreement has dealt with any agent, broker or the like which may be entitled to any brokerage commission, financial advisory fee or other like payment or compensation ("Fee") in connection with the transactions contemplated by this Agreement. Sellers, jointly and severally agree to defend, indemnify and hold FOSS, BMC and the Subsidiaries harmless from any Fees to any person claimed to be engaged by Sellers, BMC or any Subsidiary in connection with the sale of BMC or its capital stock. FOSS agrees to defend, indemnify and hold Sellers harmless from any Fees to any person claimed to be engaged by FOSS in connection with the purchase of BMC or its capital stock.

7.4 Notices. All documents, notices, requests, demands and other communications that are required or permitted to be delivered or given under this Agreement shall be in writing and shall be deemed to have been duly delivered or given upon the delivery or mailing thereof, as the case may be, if delivered personally or three business days after mailing by registered or certified mail, return receipt requested, postage prepaid (or the closest local equivalent):

7.4.1 if to FOSS, to:

Foss Maritime Company
660 West Ewing
Seattle, WA 98119
Attention: President

with a copy to:

James G. Kibble, Esq.
Garvey, Schubert & Barer
1191 Second Avenue, 18th Floor
Seattle, Washington 98101-2939

7.4.2 and if to Sellers, as follows:

Peter J. Brix
3520 SE Chrystal Springs Blvd.
Portland, OR 97202

Robert J. DeArmond
2619 Freedom Way
Medford, OR 97504

Joseph and Sarah Tennant
2704 SW Sherwood Drive
Portland, OR 97201

Ellison C. Morgan
P.O. Box 2207
Portland, OR 97208

John B. Altstadt
P.O. Box 25809
West Slope Branch
Portland, OR 97225

Hayden Investment Corp.
c/o Peter J. Brix
3520 SE Chrystal Springs Blvd.
Portland, OR 97202

with a copy to:

Attention: _____

or to such other person or address as a party hereto shall specify hereunder.

7.5 Expenses. Subject to Section 6.1 and the last sentence hereof, whether or not the transactions contemplated by this Agreement are consummated, Sellers and FOSS shall each pay all of its own fees and expenses incident to the negotiation, preparation, execution and performance of this Agreement, including the fees and expenses of their own counsel, accountants, investment bankers and other experts. All fees and expenses of BMC's counsel and accountants related hereto and incurred after July 13, 1993 shall be paid by Sellers.

7.6 Entire Agreement. This Agreement together with the side letter between Peter J. Brix and FOSS dated the date hereof constitutes the entire agreement and understanding of the parties with respect to the transactions contemplated hereby, supersedes any and all prior agreements and understandings relating to the subject matter hereof and may not be modified, amended or terminated except in writing signed by the parties to be bound thereby.

7.7 Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with the laws of the State of Oregon.

7.8 Parties in Interest. This Agreement shall be binding upon and shall inure solely to the benefit of the parties hereto and their respective successors, heirs, and assigns and nothing in this Agreement, express or implied, is intended to confer upon any other person any rights or remedies of any nature whatsoever under or by reason of this Agreement. This Agreement shall not be assignable, directly or indirectly by any party


hereto without the prior written consent of the other parties; provided, however, that FOSS may assign this Agreement to a wholly-owned subsidiary without Sellers' or BMC's prior written consent so long as FOSS remains liable hereunder.

7.9 Captions. The caption headings of the Articles, Schedules, Exhibits, Sections and subsections of this Agreement are for convenience of reference only and are not intended to be, and should not be construed as, a part of this Agreement.

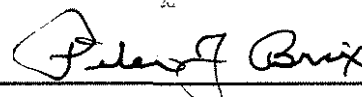
7.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which with all of the signature pages attached thereto or all executed copies taken together shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF, each of the parties hereto has duly executed this Agreement as of the date first above written.


FOSS

By 
Its President & CEO

BMC

By 
Its _____

SELLERS:


Peter J. Brix

Robert J. DeArmond

Ellis C. Morgan, Individually

hereto without the prior written consent of the other parties; provided, however, that FOSS may assign this Agreement to a wholly-owned subsidiary without Sellers' or BMC's prior written consent so long as FOSS remains liable hereunder.


7.9 Captions. The caption headings of the Articles, Schedules, Exhibits, Sections and subsections of this Agreement are for convenience of reference only and are not intended to be, and should not be construed as, a part of this Agreement.

7.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which with all of the signature pages attached thereto or all executed copies taken together shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF, each of the parties hereto has duly executed this Agreement as of the date first above written.

FOSS

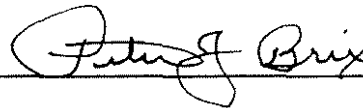
By
Its


PRESIDENT & CEO

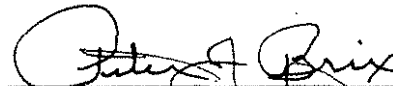
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BMC

By
Its



SELLERS:


Peter J. Brix


Robert J. DeArmond


Ellison C. Morgan, Individually

Ellison

Ellison C Morgan
Ellison C. Morgan, Trustee of Management
Partnership 401(k) Plan

Joseph P. Tennant
Joseph Tennant

Sarah B. Tennant
Sarah Tennant

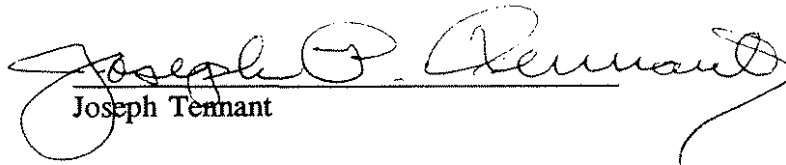
John B. Altstadt
John B. Altstadt

HAYDEN INVESTMENT CORPORATION

By _____

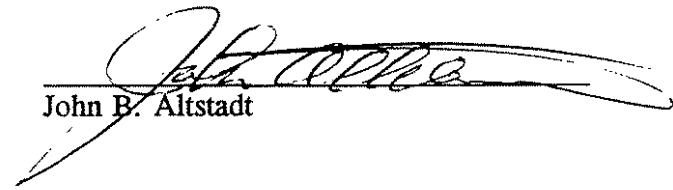
Its _____

Ellison C. Morgan, Trustee of Management
Partnership 401(k) Plan



Joseph Tennant

Sarah Tennant



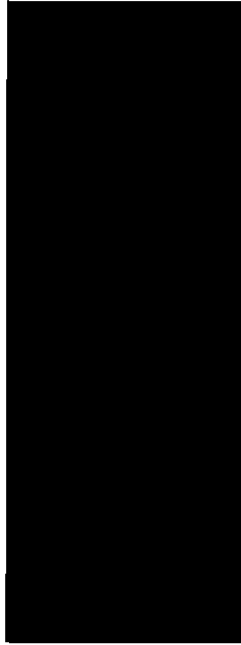
John B. Altstadt

HAYDEN INVESTMENT CORPORATION

By  _____

★ Its _____

EXHIBIT A

<u>Seller</u>	<u>A</u> <u>Number of Shares</u>	<u>B</u> <u>Purchase Price</u>
Peter J. Brix	3,445	
Robert J. DeArmond	671	
Ellison C. Morgan	290	
Ellison C. Morgan, Trustee Management Partnership 401(k) Plan	255	
John B. Altstadt	44	
Joseph and Sarah Tennant	158	
Hayden Investment Corp.	90	
Hayden Investment Corp. (subscribed)	<u>224</u>	
	<u>5,177</u>	

Schedule 2.1.1

Subsidiaries

<u>Name</u>	<u>Jurisdiction of Incorporation</u>	<u>Authorized Stock</u>	<u>Issued and Outstanding Stock</u>	<u>Record Owners</u>
Marine Equipment Leasing Co. (MELCO)	DE	1,000 no par	100	BMC 100%
Brix Maritime Towing, Inc.	OR	1,000 no par	1,000	BMC 100%
Brix Rafting & Sorting Co.	OR	100 no par	100	BMC 100%
Brix Maritime Barging, Inc.	WA	2,000 Class A 125 Class B	1,071.8923 Class A 25 Class B	BMC 100%
Sortwell, Inc.	OR	20,000 no par		Brix Rafting & Sorting Co. 100%
Tweed Towing, Inc.	DE	1000- Class A 1000- Class B	50 Class A 50 Class B	MELCO 49 Class A, 50 Class B Joy Richards 1 Share Class A redeemable at \$150

Joint Ventures

<u>Name</u>	<u>Jurisdiction</u>	<u>Authorized Stock</u>	<u>Issued and Outstanding Stock</u>	<u>Record Owners</u>
Oregon City Boom, Inc.	OR	840 no par	840	BMC 29% (240 Shares)
Brixco, Inc.	WA	500 \$100 par	500	Brix Rafting & Sorting Co. 50%
Carslip Co.	WA	50,000 \$1 par	3,000	Brix Maritime Barging 50% (1,500 Shares)
Columbia River Log Service	Partnership - OR	N/A	N/A	BMC 50%
Willamette River Log Service	Partnership - OR	N/A	N/A	Brix Rafting & Sorting Co. 50%
BP Marine Leasing	Partnership - OR	N/A	N/A	BMC 50%
Inland 465	Limited Partnership-ID	N/A	N/A	BMC 33.33%
LBW	ID	100,000 (\$par)	15,000	BMC 33.33% (5,000 shares)
Bowhead JV	Partnership	N/A	N/A	SeaCoast Towing 49% Bowhead Transp 51%
Bay Bunkering, Services, Inc.	CA	10,000 (no par)	120	Tweed Towing, 40 Zidell, Inc. 80

Option Corporation

<u>Name</u>	<u>Jurisdiction</u>	<u>Authorized Stock</u>	<u>Issued and Outstanding Stock</u>	<u>Record Owners</u>
Sea Coast Towing, Inc.	WA	100,000 \$1 par	20,000	100% John B. Altstadt

SCHEDULE 2.1.2

Subscription Agreement for 224 shares of capital stock of BMC in favor of **HAYDEN INVESTMENT CORPORATION**. Subscription price, at least equal to BMC purchase price, being paid monthly to BMC by **HAYDEN INVESTMENT CORPORATION**. Stock issued in name of BMC and held by **U.S. NATIONAL BANK OF OREGON** pursuant to Pledge Agreement.

Stockholders Agreement dated December 28, 1992 (which includes the above Subscription Agreement), which contains certain restrictions of the transfer of BMC shares and related Put Agreement which permits certain shareholders to require **PETER BRIX** to purchase BMC shares of other shareholders. These agreements to be cancelled upon Closing.

SCHEDULE 2.1.3

Loan Agreements and capital leases between BMC, MELCO and/or Subsidiaries or owners of Acquired Assets which require the consent of one or more of the following lenders or lessors to change of control or release of encumbrances on stock or assets of BMC or Subsidiaries or the Acquired Assets:

U.S. National Bank of Oregon
Capital Consultants, Inc.
Safeco Credit Co.
SeaFirst Bank
First Interstate Bank of Oregon, N.A.
IBM Credit Corp.
Tweed Marine
Clifford Gregor

The loans of the above lenders may be prepaid without penalty, except loans from Safeco Credit Co., Capital Consultants, Inc., and IBM Credit Corp.

Leases requiring consent of lessors are listed in Schedule 2.1.17.

SCHEDULE 2.1.4

The Balance Sheet has not been reviewed or audited by any independent CPA and does not contain all appropriate year end or other adjustments or notes which would result from such a review or audit.

The financial statements and books and records of the Option Corporation have not been audited and do not contain any adjustments or notes which result from such an audit and are kept on the basis of the fiscal year ending March 31.

The Financials are subject to adjustment for or omit the following transactions, occurrences or events:

1. A reduction in the rate of depreciation for financial reporting purposes which occurred as of January 1, 1992.

2. The Consulting Agreement between **ARTHUR A. RIEDEL** and BMC dated as of December 28, 1992, is treated as an expense item on the Financials and is not recorded as a liability.

3. The redemption of 224 shares of BMC stock by BMC is shown only on the Balance Sheet.

4. The subscription of 224 shares of BMC stock by **HAYDEN INVESTMENT CORPORATION** is shown only on the Balance Sheet.

5. Liabilities for insurance premiums or assessments the amount of which was unknown on the date of the Balance Sheet or Financial Statements, including a recent call or assessment in the approximate amount of \$ [REDACTED] of which approximately [REDACTED] was reserved.

6. Amounts reflected in stockholder's equity but which may not otherwise be reflected in liabilities as a result of prior mergers and the failure of former shareholders to surrender canceled stock for periods prior to 1990.

7. Neither the Balance Sheet nor the Financials include **SEA COAST TOWING, INC.** Other entities not required to be consolidated are included on an equity basis.

8. Liabilities under BMC Stock Appreciation Rights Plan (approximately \$ [REDACTED] as of June, 1993) are not shown on the Financials.

9. [Intentionally omitted.]

10. Closure of **ALASKA PULP CORPORATION** mill in Sitka, Alaska, is not shown on the Financials.

11. Reserves against insurance deductibles on the Balance Sheet may not be accurate because no audit procedures or specific inquiries are made.

12. Reserves for maintenance and repair on the Balance Sheet may not be accurate because no audit procedures or specific inquiries are made.

13. FAS 109 obligations. BMC, Subsidiaries and Option Corporation have not complied with FAS 109 and have not made adjustments to deferred taxes required thereunder.

14. [Intentionally omitted.]

15. Changes in consolidated group because of acquisition of stock of **TWEED TOWING INC.** This change in the consolidated group is reflected only in Balance Sheet.

16. Construction on the Tug Ocean Warrior is currently shown as construction work in progress and not as an account receivable on the Financials.

17. California wage claims for overtime involving employees of Bay Bunkering Services, Inc., a corporation in California, in which **TWEED TOWING, INC.**, has a minority interest were not reflected in the Financials.

18. Bonus payments under incentive compensation plan which may become payable depending upon 1993 results (see letter of March 8, 1993) are not reflected on the Financials.

19. Practice (for approximately last three years) of paying a percentage of profits to non-union masters, mates, mechanics and tankermen has not been accrued on the Balance Sheet.

20. Commitment to Zidell to buy chip barge (tentatively BMC 24) when constructed and launched for approximately [REDACTED] payable [REDACTED] a month, including 8% interest for 5 years, then the balance payable in a single balloon payment not shown on the Financials.

21. Overtime claim of Steven C. Holm against Tweed Towing, Inc., in the amount of \$105,069 for the period 3/6/91 to 11/12/92 is not shown on the Financials.

22. Commitment to Charter and/or sell the BMC-29 to Fletcher Challenge (Canada) is not shown on the Financials.

23. The accuracy of the allocation of expenses between BMC and Hayden Investment Corporation. This allocation is [REDACTED] a month for support services. Insurance premiums and charges are allocated as follows:

Insurance Charges.

Hull & Machinery Coverage - All vessels get a premium charge based on the insured value of the vessel. The base premium rate is the same for all vessels. The charge to Yutana Barge Lines currently is 4.25% of the total Hull & Machinery Premium.

Protection & Indemnity Coverage - The basic P & I premium is allocated to each vessel based on the value of the vessel. The base premium per thousand dollars of value is the same for every vessel.

Excess Coverages (Including Pollution Liability) - These premium costs are allocated to each vessel through a matrix that takes into consideration such things as capacity, commodity hauled, annual volume, frequency of trips, distance of trips, area served, etc. The charges to Yutana Barge Lines currently is 5.58% of the total P & I and excess coverages.

The overall average is 5.28%.

24. See also Schedule 2.1.13(i) and Schedule 2.1.22(vii).

SCHEDULE 2.1.5

Liabilities disclosed on Schedules 2.1.4, 2.1.7 (items 2, 3 and 4), 2.1.10 (items 3 and 5), 2.1.11, Bonus Plans accruals in 2.1.13(v), 2.1.18 and 2.1.22.

SCHEDULE 2.1.6

I. Difference in book and tax accounting:

TEMPORARY DIFFERENCES

Depreciation - BMC's book depreciation is based on the straight-line method, while tax depreciation is based primarily on the double-declining method utilizing asset lives as follows:

	<u>(IN YEARS)</u>	
	<u>BOOK</u>	<u>TAX</u>
Autos	3 - 5	5
Tugs, boats and barges	12 - 30	10
Computer equipment	5 - 8	5
Office furniture and fixtures	5 - 8	7
Buildings	10 - 40	31.5
Leasehold improvements	5 - 15	5 to 31.5
Land improvements	8 - 16	20

Prepaid maintenance - For book purposes, BMC deducts maintenance costs over the period benefiting from the repair or small improvement. For tax purposes, BMC deducts these maintenance costs when paid.

Bad debts - For book purposes, BMC accounts for bad debts under the reserve method and for tax purposes, BMC utilizes the specific identification method.

Accrued liabilities - For book purposes, BMC deducts its accrued liabilities (accrued maintenance, accrued vacation leave, accrued SAIF claims, accrued bonuses, accrued self-insurance, accrued property and indemnification insurance, etc...) when the expense is accrued. For tax purposes, BMC deducts these expenses when paid under the recurring item exception method (See II. below for discussion of recurring item exception method), with the exception of accrued vacation leave and bonuses, which are deducted in the current year if paid within the first two and a half months of the following year.

Investments in unconsolidated entities - For book purposes, BMC and its subsidiaries recognizes income on their investments in unconsolidated subsidiaries (i.e. corporate, partnership and any other joint ventures) under the equity method (i.e. income or loss recognized for their pro rata share of book income). For tax purposes, BMC and its subsidiaries accounting treatment depends on the investee's entity type.

- A. "C" corporation - Income is recognized for distribution made to BMC and/or its subsidiaries during the tax year.

- B. Partnership or "S" corporation - Income or loss is recognized by BMC and its subsidiaries for their pro rata share of tax income for the Investee's year ending during BMC's tax year.

PERMANENT DIFFERENCES

Officer's life insurance - For book purposes, BMC deducts premiums paid on the life insurance policies for its officers and recognizes in income any increase or decrease in the cash surrender value of these policies. In addition, interest charges on policy loans to pay life insurance premiums are deducted from income for book purposes. For tax purposes, all these items of income or expense related to the Company's life insurance policies on its officers are eliminated in the computation of taxable income (i.e. income amounts are nontaxable and expense amounts are nondeductible).

Other nondeductible expenses - For book purposes, BMC deducts the following expenses in its computation of book income, but these expenses are disallowed in the computation of taxable income:

- Political contributions
- 20% of meals and entertainment expense
- Penalties assessed by various taxing authorities
- Amortization of goodwill

Dividend received deduction - For book purposes, BMC treats dividends received as a decrease in its investment in the entity issuing the dividend. For tax purpose, BMC recognizes in income any dividend received from an investment in a entity having "C" corporation status (see discussion above regarding tax treatment of investment in unconsolidated entities). For tax purposes, BMC also receives a deduction for up to eighty percent of the dividend received from an entity having "C" corporation status (the deduction is only seventy percent if less than twenty percent if the Company is owned by BMC and its subsidiaries).

Deferred intercompany transactions - As discussed below in Section III, three transactions have occurred within BMC's consolidated group that have resulted in income being recognized for tax purposes. For book purposes, these transactions resulted in no changes to the book basis of assets nor any increase in book income. For tax purposes, these transactions increased the tax basis of assets to the acquiring company and resulted in a taxable gain to the selling company. The gain to the selling company is being recognized in amounts equivalent to the related depreciation being recorded by the acquiring company. As a result, the net adjustment to book income in computing taxable income is zero.

II. Elections reducing basis of assets or accelerating deductions:

BMC and its subsidiaries have elected the recurring item exception method for tax purposes as its method of accounting for certain types of expenses (i.e. insurance, taxes, etc...). This enables BMC and its subsidiaries to deduct certain expenses in the current year, if the expense will be paid within the first eight and a half months of the following year.

III. Nature and amount of the following:

A. Excess loss accounts:

None.

B. Deferred intercompany transactions:

Melco, a BMC subsidiary, acquired numerous operating assets for BMC and its subsidiaries in 1988. The gain that resulted from this sale is being recognized consistent with the depreciation expense related to the increase in the tax basis of these assets (i.e. under the double-declining method over a ten-year period). At December 31, 1992, the remaining gain to be recognized over the next six years, was approximately [REDACTED]

BMC completed the acquisition of Twin City Barge in August, 1982. The difference between the book and tax basis of assets generate a gain, which is being recognized consistent with the depreciation expense related to the increase in the tax basis of these assets (i.e. under the straight-line method over a 16-year period). At December 31, 1992, the remaining gain to be recognized over the next five years and seven months, was approximately [REDACTED]

Melco completed its acquisition of KW Marine by acquiring the other fifty percent interest of KW Marine from Knapton Corporation in 1989. The gain that resulted from this acquisition is being recognized consistent with the depreciation expense related to the increase in the tax basis of these assets (i.e. under the double-declining method over a ten-year period). At December 31, 1992, the remaining gain to be recognized over the next seven years, was approximately [REDACTED]

C. Inventory adjustments:

None.

- IV. The existence of any agreements allocating taxes between BMC and its subsidiaries and any other related entity:

None.

- V. Names of any entity dissolved, liquidated, wound-up, sold or disposed of since January 1, 1988.

Tweed Towing, Inc. (California) by merger with Tweed Towing, Inc. (Delaware)
Knappton Corporation (Oregon) by merger with BMC
Brixco, Inc. (50% stock sale to Brusco)
SeaCoast Towing, Inc. (50% stock sale to Roadway Construction)
Longview Booming Co., Inc. (sale of shares to St. Johns Group, Inc.)
Sale of Tug Enterprise to Enterprise Partners
Copac Leasing Co. (stock sale to SeaCoast Towing, Inc.)
LSI Marine Vessel Corp by merger with SeaCoast Towing, Inc.
PT Maritime Co., Inc. by merger with SeaCoast Towing, Inc.
St. Croix Towing Corporation dissolution

SCHEDULE 2.1.6 (OPTION CORPORATION)

I. Difference in book and tax accounting:

TEMPORARY DIFFERENCES

Depreciation - Sea Coast Towing, Inc. and subsidiary's ("Sea Coast" or "the Company") book depreciation is based on the straight-line method, while tax depreciation for some assets is based on the double-declining method, primarily boats and barges. The assets lives for most depreciable assets are approximately the same for book and tax purposes, with the only significant exception being boats and barges which have an asset life ranging from 12 to 30 years for book purposes and an asset life of ten years for tax purposes.

Bad debts - For book purposes, Sea Coast accounts for bad debts under the reserve method and for tax purposes, Sea Coast utilizes the specific identification method.

Accrued liabilities - For book purposes, Sea Coast deducts its accrued liabilities (accrued maintenance, accrued vacation leave, accrued SAIF claims, accrued property and indemnification insurance, etc...) when the expense is accrued. For tax purposes, Sea Coast deducts these expenses when paid under the recurring item exception method (See II. below for discussion of recurring item exception method), with the exception of accrued vacation leave and bonuses, which are deducted in the current year if paid within the first two and a half months of the following year.

Deferred revenue - Sea Coast receives prepayment for services from one large customer on a month to month basis. For book purposes, this revenue is deferred and recognized when it is earned. For tax purposes, the revenue is recognized when payment is received.

PERMANENT DIFFERENCES

Nondeductible expenses - For book purposes, Sea Coast deducts the following expenses in its computation of book income, but these expenses are disallowed in the computation of taxable income:

- Political contributions
- 20% of meals and entertainment expense
- Penalties assessed by various taxing authorities

II. Elections reducing basis of assets or accelerating deductions:

- A. Recurring item exception: Sea Coast and its subsidiaries have elected the recurring item exception method for tax purposes as its method of accounting for certain types of expenses (i.e. insurance, taxes, etc...). This enables Sea Coast and its subsidiaries to deduct certain expenses in the current year, if the expense will be paid within the first eight and a half months of the following year.
- B. Internal Revenue Code Section 338(h)(10) Election - Sea Coast acquired all the stock of Copac Leasing, Inc. (Copac) from Brix Maritime Company on December 29, 1992, for \$1,775,000. Both parties in the transaction agreed to elect Internal Revenue Code Section 338(h)(10), thus enabling Sea Coast to treat the acquisition of Copac as an asset purchase. The assets of Copac (boats and barges) have been recorded at \$1,775,000 and the gain on the step up will be recorded in Brix Maritime Company's 1992 tax return.

III. Nature and amount of the following:

- A. Excess loss accounts:
None
- B. Deferred intercompany transactions:
None
- C. Inventory adjustments:
None.

IV. The existence of any agreements allocating taxes between Sea Coast and its subsidiaries and any other related entity:

None.

SCHEDULE 2.1.6(vi)

Basis @ 12/31/92

Option Corporation
(including Copac Leasing)

BMC and Subsidiaries
(Tweed Towing not consolidated)
(does not net Melco gain)



SCHEDULE 2.1.7

1. Claim against Dutra for amounts due in connection with the charter of the Tug Astoria for use in Boston (Massachusetts) Harbor and related uses. Claim is now in arbitration. Account receivable recorded as of May 31, 1993, [REDACTED]

2. Inter-company accounts related to sale and lease back and other intercompany transactions.

3. Employee or former employee advances in an amount not to exceed [REDACTED] as of May 31, 1993.

4. The following accounts which are delinquent and may require litigation or other special treatment:

(a) Aqua Marine Constructors, Inc. [REDACTED] as of 5/31/93

(b) Pacific Western Forest Ind. [REDACTED] as of 5/31/93

(c) Devine-Dutra Diving. [REDACTED] s of 5/31/93

(d) Browning Timber Co. [REDACTED] s of 5/31/93

Reserve for bad debts [REDACTED] as of 5/31/93.

SCHEDULE 2.1.9

2.1.9(a) - See Matters Scheduled on Schedules 2.1.11 and 2.1.22.

Vessels or equipment undergoing construction, modification or normal maintenance and repair.

2.1.9(b) - The Barge Aquatrain was built outside the United States.

See attached list of vessels.

2.1.9(c) - Electrical work required on Barge Eldorado and repairs necessary to recertify Barge BMC-9 for oil barging.

SCHEDULE 2.1.9

VESSELS	Documented		Undocumented	State License
	U.S.C.G.	A.B.S.		
COLUMBIA RIVER BOATS				
Lewiston	X			
Betsy L	X	X		
Noydena	X			
Cap Evans	X			
Knappton	X			
Sarah Brix	X			
Fireball	X			
Tiger	X			
Louie III	X			
Tonquin	X			
Arrow No. 2	X			
Rainier	X			
John A	X			
St. Helens	X			
Rustler	X			
Earl H	X			
Aquabus	X			
Irene	X			
Longview	X			
Olympic	X	X		
America	X	X		
Mariner	X			
Chief	X			
Richard M (ex Jennifer L)	X	X		
Pacific Explorer			X	X
Tom White	X			

VESSELS	Documented		Undocumented	State License
	U.S.C.G.	A.B.S.		
=====				
COLUMBIA RIVER BOOM & WORK BOATS				

Pierre BB #7			X	
Sea Dozer BB #8			X	
Jet Sled			X	
Log Bronc 168 DM #3			X	
Kenagy Bronc 1980			X	
Nelson Bronc #17			X	
Nelson Bronc BB #18			X	
Brig Young Boom Boat			X	
Goliath BB #4			X	
Nelson Bronc BB #112			X	
Nelson Bronc BB #113			X	
Sundial Bronc BB #9			X	
Nelson Bronc BB #13			X	
Nelson Bronc BB #10			X	
Nelson Bronc BB #11			X	
Nelson Bronc BB #14			X	
Nelson Bronc BB #15			X	
20' Aluminum Skiff			X	
Boom Boat #16			X	
Henry B - Work Boat			X	

VESSELS	Documented		Undocumented	State License
	U.S.C.G.	A.B.S.		
=====				
COLUMBIA RIVER BARGES				

BMC 2	X			
BMC 3	X			
BMC 4	X			
BMC 5	X			
BMC 6	X			
BMC 7	X			
BMC 8	X			
BMC 11			X	
BMC 12	X			
BMC 14	X			
BMC 15			X	
BMC 16			X	
BMC 18	X			
BMC 19	X			
BMC 20	X			
BMC 24			X	
BMC 25			X	
BMC 29	X			
BMC 33	X			
BMC 34			X	
Port Angeles (ex KC 35)	X	X		
Shasta	X			
Eldorado	X			
Willapa	X			
BMC 202	X			
BMC 40			X	
BMC 42			X	
BMC 43	X			
BMC 44			X	
BMC 45			X	
BMC 9 (ex Lassen)	X			
Esther L			X	
BMC10	X	X		
BMC 21	X			
BMC 41			X	
Paul Bunyan			X	

VESSELS	Documented		Undocumented	State License
	U.S.C.G.	A.B.S.		

COLUMBIA RIVER BARGES CONTINUED

BMC 22	X			
BMC 47			X	
BMC 48			X	
BMC410	X			
BMC480	X			
Lube Oil Tanks (15)			X	

VESSELS	Documented		Undocumented	State License
	U.S.C.G.	A.B.S.		
=====				
PUGET SOUND/ALASKA BOATS				

John Brix	X	X		
Astoria	X	X		
Portland	X	X		
Fairwind	X	X		
PUGET SOUND/ALASKA BARGES				

Aquatrain	X	XX		
Seattle	X	X		
Sitka	X	XX		
Glacier Bay	X			
Rainier	X			

VESSELS	Documented		Undocumented	State License
	U.S.C.G.	A.B.S.		
=====				
LAFFERTY BOATS				

Florence Lee	X			
Sarah Ann			X	
Louise H			X	
Valerie Lee			X	
George A	X			
Spokane			X	
Jack A			X	
Potlatch			X	
St. Marie III			X	
St. Joe			X	
Coeur d'Alene			X	
Cougar			X	
Pine Cat	X			
Thunderbird Utility				
LAFFERTY BARGES				

Paul Bunyan			X	

VESSELS	Documented		Undocumented	State License
	U.S.C.G.	A.B.S.		
=====				
TWEED TOWING				

Pacific Falcon	X			
Pacific Pride	X			
Pacific Eagle	X			
Jim Moore	X			
SEACOAST TOWING: Boats				

Cascade	X			
Chinook	X			
Sea Prince			X	
SEACOAST TOWING: Barges				

Galena			X	
Jane A			X	
SS - 13			X	
Barge 435			X	
Barge 436			X	
Barge 437			X	
Barge 438			X	
BMC - 36	X			
SEACOAST: Leased Vessels				

Grizzly	X			
Glacier	X			
Sieg. Tiger	X	X		
Ocean Warrior	X			
Pacific Eagle	X			

VESSELS	Documented		Undocumented	State License
	U.S.C.G.	A.B.S.		
=====				
BRIX MARITIME CO.				
LEASED VESSELS				

PJ Brix	X			
Clarkston	X			
Alapul	X	X		
Bismark	X	X		
BMC 470			X	
Baranof	X	X		
BMC 30			X	
BMC 1	X			
BMC 32	X	X		
Brandy Bar	X			
Arrow No. 3	X			
Falcon	X			
Refer Barge (6668-583)			X	
ZAG501			X	
TBL4	X			
BMC38 (Super Fran)	X	XX		
Container Handler				
Portland Land				
Palmer	X	XX		
Bmc 23	X			
Barge Cascades	X	XX		
MARINE EQUIPMENT LEASING				
VESSELS LEASED TO THIRD PARTIES				

Glacier(ex Julius Brusco)	X			
Grizzly	X			
Cascade(Marine Retriever)	X			
Jamieson (ex Donald R)			X	
Mr. Mike	X	XX		

(XX= Vessel has ABS Loadline and is in Class)

SCHEDULE 2.1.10

1. Property subject to leases described in Schedule 2.1.13(iv) and other leased property, to the extent of any leasehold interest.
2. Encumbrances related to Loan Agreements or capital leases with lenders listed in Schedule 2.1.3.
3. Liens for property taxes and inchoate liens not yet due and payable.
4. Equipment subject to capital leases from others and equipment leased to others to the extent of the leasehold interest.
5. Sales of the following assets since May 31, 1993:
 - (a) BMC 37. [See Schedule 2.1.19(b)]
 - (b) Two Cat engines. [See Schedule 2.1.19(b)]
6. Commitments to sell vessels described in Schedule 2.1.13(i).

SCHEDULE 2.1.11

2.1.11(a) none.

2.1.11(b) - See Schedule 2.1.22.

See attached list of OSHA citations for the period 1985 through June 1993.

Vessels and equipment are in substantial compliance with OSHA.

OSHA CITATIONS

<u>DATE</u>	<u>LOCATION</u>	<u>VIOLATION</u>	<u>TYPE OF VIOLATION</u>
Feb 1985	Rainier, OR	Hammer handle broken. 90' of line on life ring.	Other Other
Aug 1985	Milwaukie, OR	A-frame not certified. Maintenance records not available.	Other Other
Aug 1985	Oregon City, OR	Certification documents not available for P & H Crane. No inspection & maintenance records not available on P & H Crane.	Other Other
Mar 1986	Oregon City, OR	No inspection records available for P & H Crane.	Other
Apr 1986	Astoria, OR	Employees not wearing floatation devices. Employees not wearing protective hats.	Serious Repeat
June 1986	Portland, OR	No written hazard communication program exposed. Pull-lifts not inspected regularly, hook on the 1 1/2 ton pull was bent.	Other Other
Mar 1987	Oregon City, OR	Crane not inspected within	Repeat

within the last year.

Mar 1987	Rainer, OR	Employees not wearing personal floatation devices.	Serious
		90' of life ring was not attached to each life ring.	Repeat
		Propane gas cylinder in floating shop free standing exposing the cylinder to damage if fallen.	Other
		The grounding pin was missing on the 1/2" drill, could cause electrical shock.	Other
April 1987	Portland, OR	Fire extinguishers not maintained.	Other
		Blade guards on fan had openings of two or more inches.	Other
		Some machines not anchored to the floor of floating shop.	Other
		Compressed air used for cleaning was not reduced to less than 30 p.s.i.	Other
		No guards on light fixtures.	Other
		Switchboard in floating shop uncovered.	Other
		Chemicals did not have warning labels.	Other
		20' ladder was not tagged unusable.	Other
		Housekeeping poor in floating shop.	Other
		Metal locker blocking exit.	Other
July 1987	Fairview, OR	Oily rags creating fire hazard.	Other
		Tractor crane did not have a load rating chart.	Other
		Employer did not direct that employees exposed to impact,	Other

falling, or flying objects wear protective hats.

Sept 1987	Oregon City, OR	Cleat on ramp to boom shack broken.	Other
		No life ring with 90' of line provided at boom shack.	Other
		Chain handrails and mid-rails to boom shack were cut loose.	Other
		Boom operator not wearing life jacket.	Serious
		Boat operator not wearing life jacket properly.	Serious
Nov 1987	Fairview, OR	Tractor crane did not have a load rating chart visible to operator.	Repeat
		Switchbox had openings.	Other
		Electrical receptacle did not have cover & ligh fixture plugged into it did not have plug attached to cord.	Other
		Nobody certified to administer first aid.	Other
Jan 1988	Portland, OR	Table saw blade was not covered in floating shop.	Serious
		The OSHA-73 form on 2 employees no provided to OSHA office.	Other
		Four come-along had bent hooks from overloading.	Other
		OSHA for 200 not maintained for calendar year 1987.	Other
		Amerex portable fire extinguisher on "Champion" had not received annual maintenance check.	Other

		In floating shop dip tank not labeled hazardous.	Serious
		Material safety data sheet for sodium hydroxide not included in written hazard communication program.	Serious
		Material safety data sheet for Rodda Paint gloss alkyd enamel not included in written program.	Serious
		In floating shop employee dips engines in tank of sodium hydroxide and was not provided chemical goggles for protection.	Other
July 1991	Scappoose, OR	No guard provided for belt drive on bench grinder in floating shed.	Repeat
		Banding deck broken & damaged planks, causing tripping.	Repeat
		Insulation on the power supply cord to bench grinder frayed.	Serious
		Empty oxygen cylinder in fuel shack not secured in upright position.	Other
		Empty oxygen cylinder in fuel shack not stored in combustible materials.	Other
Nov 1991	Milwaukie, OR	Floating walkway broken and unsafe.	Other
Nov 1991	Portland, OR	OSHA 200 log for 1991 was not available.	Other
July 1992	Rainier, OR	Cover plate missing from electrical connections on exhaust fan on "Louie III".	Serious
		Guardrails missing on ster of "Louie III".	Serious
		Handrails missing from gangway.	Serious
		Extension cord to provide power to portable light in engine room of "Louie III" indicated reverse polarity when tested.	Other

c:OSHACIT

SCHEDULE 2.1.12
LICENSES TO USE PATENTS,
TRADEMARKS, ETC. OF OTHERS

Company	Patent No.	Description
Sause Bros. Ocean Towing Co., Inc.	U.S. 4,242,978	The right to manufacture, assemble or use the "Orville Hook."

Corporate or assumed names: See Schedule 2.1.1

SCHEDULE 2.1.13

(i) Agreement dated July ____, 1993, to extend Mary Troy Trust Charters to November 1, 1996 on the vessels Brandy Bar and Arrow III.

Commitment to resell vessels Jamison and Simone Brusco to Brusco Tug and Barge at cost plus interest at end of current charters, less charter rents received.

Commitment to terminate or modify charter of BMC 32 effective upon sale of BMC 32 by Peter Brix to **BOWHEAD TRANSPORTATION CORP.**

Commitment to modify at BMC expense of approximately \$600,000 and then sell the Glacier Bay to James River II for approximately \$1,200,000.

See items 20 and 22 on Schedule 2.1.4.

See also attached Schedule 2.1.13(i).

(ii) Peter J. Brix Employment Agreement and see attached Schedule 2.1.13(ii). Normal termination benefits to terminated employees.

(iii) See attached Schedule 2.1.13(iii).

(iv) See attached Schedule 2.1.13(iv). Various leases with states of Oregon and Washington for log storage in amounts less than \$1,000 per month or expiring prior to December 31, 1993.

(v) Split dollar and ordinary life policies on life of Peter J. Brix. Management Life Insurance Plan (based upon percentage of salary).

Vacation plans for non-union employees.

Benefits under Collective Bargaining Agreement set forth on Schedule 2.1.13(iii).

Health insurance plans for non-union employees (including \$10,000 life insurance and disability insurance) listed on Schedule 2.1.16.

Bonus plans referred to herein or Schedule 2.1.4, items 8, 18 and 19, (see attached 1992 summary of bonuses paid to certain management employees).

Discretionary bonus plan for Sea Coast Towing, Inc. (3/31 fiscal year).

(vi) None.

(vii) See attached Schedule 2.1.13(vii).

(viii) Listed elsewhere in Schedule 2.1.13, except those agreements under \$1,000 month.


- (ix) See Schedule 2.1.12.
- (x) Listed elsewhere on Schedules.
- (xi) None except as listed elsewhere on Schedules 2.1.19(b), 2.1.4 and 2.1.13(i).
- (xii) None except authority granted under insurance agreements or loan agreements.
- (xiii) See Schedule 2.1.13(xiii).

**NON-COMPETE AGREEMENTS
SCHEDULE 2.1.13(i)**

<u>Agreement With:</u>	<u>Dated</u>	<u>Term</u>
A. A. Riedel* Riedel Resources Riedel International, Inc.	4/14/88	10 Years
Riedel Environmental Technologies, Inc.*	4/14/88	10 Years

*See change of control provisions.

**CONSULTING AGREEMENTS
SCHEDULE 2.1.13(ii)**

<u>Agreement With:</u>	<u>Dated</u>	<u>Term</u>	<u>Amount</u>
A. A. Riedel	12/28/92	10 Years	
Del Pearson	Annual	1 Year	

COLLECTIVE BARGAINING AGREEMENTS
SCHEDULE 2.1.13(iii)

<u>Union Organization</u>	<u>Brix Division</u>	<u>Term</u>
Inland Boatmen's Union of the Pacific	Brix Maritime Co.	2/1/90 to 2/1/95
Inland Boatmen's Union of the Pacific	Brix Maritime Barging Inc.	2/1/92 to 1/31/93 (then Evergreen)
International Organization of Master, Mates & Pilots - Pacific Maritime Region	Brix Maritime Barging, Inc.	1/1/93 to 10/1/97
International Longshoremen's & Warehousemen's Union	Brix Maritime Co.	9/1/89 to 8/31/93

SCHEDULE 2.1.13(iv)

LEASES IN EXCESS OF \$1000 PER MONTH

LOCATION	LESSOR	LESSEE	TERM	USE
Terminal 4 - Portland	Port of Portland	BMC	3-92 to 3-97	Vessel Moo
Rainier Dock	State of Oregon	BMC	10-90 to 9-10	Vessel Moo
Ross Island	Ross Island Sand & Gravel	BMC	mo. to mo.	Log Storag
Linnton Office Land	The Siegfried Co.	BMC	1-80 to 12-99	Office Site
Hood River, Ore.	REH, Inc.	BMC	mo. to mo.	Vessel Moo
Scappoose, Ore.	Cavenham Forest Prod.	BMC	3-90 to 2-00	Log Dump
Woodland, Wash.	St. of Washington	BMC	2-89 to 2-98	Log Storag
Wilma, Wash. - Site H	Port of Whitman County	BMC	4-79 to 12-03	Chip Facilit
Lewiston, Idaho	Port of Lewiston	BMC	8-84 to 7-94	Port Termin
Seattle - Terminal 18	Port of Seattle	BMBI	9-86 to 9-96	Vessel Moo
Seattle - Terminal 46	Port of Seattle	BMBI	9-92 to 8-97	Office Facilit
Sundial Boom	James River II, Inc.	BR&S	7-92 to 6-97	Log Dump
Wilma, Wash. - Site F	Port of Whitman County	BMC	6-93 to 12-95	Chip Facilit
Seattle - Pier 16	Port of Seattle	CARSLIP	7-86 to 6-96	Railcar Doc
Wilma, Wash. - Site 9	Port of Whitman County	BMC	mo. to mo.	Log Yard
Seattle-Office Space	Rainier Petroleum	Seacoast	mo. to mo.	Office Spac
Seattle-Moorage	Harbor Island Marina	Seacoast	mo. to mo.	Vessel Moo

EQUIPMENT	LESSOR	LESSEE	TERM
Barge BMC 32	BMC	Metric Construction	3-93 to 10-93
Barge BMC 33	MELCO	Seacoast Towing, Inc	mo. to mo.
Barge BMC 17	MELCO	James River II, Inc.	10-91 to 10-93
Log Yard Equipment	BR&S	Columbia Vista Corp.	1-93 to 1-94
Barge Jamieson	MELCO	Brusco Tug & Barge	6-90 to 6-95
Tug Simone Brusco	MELCO	Brusco Tug & Barge	6-90 to 6-95
Tug Mr. Mike	MELCO	Zapata Gulf Pacific, Inc.	7-85 to 4-96
Tug Grizzly	MELCO	Seacoast Towing, Inc.	mo. to mo.
Tug P.J. Brix	PETER J. BRIX	BMC	8-82 to 9-95
Tug Clarkston	PETER J. BRIX	BMC	11-91 to 11-96
Tug Alapul	PETER J. BRIX	BMBI	11-91 to 11-96
Barge Bismark	SIEGFRIED CO.	BMC	11-91 to 11-96
Barge BMC-470	KNAPPTON LEASING	BMC	7-88 to 7-94
Barge Baranof	SIEGFRIED CO.	BMC	11-91 to 11-96
Barge BMC-30	SIEGFRIED CO.	BMC	11-91 to 11-96
Barge BMC-1	MARY TROY TRUST	BMC	10-88 to 9-97
Barge BMC-32	SIEGFRIED CO.	BMC	11-91 to 11-96
Tug Brandy Bar	MARY TROY TRUST	BMC	3-91 to 11-96
Tug Arrow No. 3	MARY TROY TRUST	BMC	3-91 to 11-96
Tug Falcon	HAYDEN INVEST. CO.	BMC	4-92 to 3-95
Barge 6668-583	PORT OF ASTORIA	BMC	9-91 to 9-96
Barge ZAG-501	ZIDELL EXPLORATIONS	BMC	3-91 to 3-11
Barge TBL 4	TIDEWATER BARGE LINES	BMC	3-91 to 3-94
Barge BMC- 38	BP MARINE LEASING	BMC	4-92 to 3-97
Tug Howard Olsen	ENTERPRISE VENTURE PTNR	BMC	11-92 to 5-00
Barge Cascades	ZIDELL INC.	BMC	2-93 to 2-03
Barge BMC- 23	ZIDELL INC.	BMC	10-92 to 10-02
Barge BMC- 22	SIEGFRIED CO.	BMC	4-92 to 3-97
Barge BMC- 17	PORT OF ASTORIA	BMC	2-91 to 2-96
Container Handler	IV SEASONS LEASING	BMC	9-92 to 3-95
Computer Equip.	IBM Credit Corp.	BMC	10-91 to 10-96
Coeur 'd Alene Id.	DAW Forest Products	BMT	mo. to mo.
Sundial Boom	Caffall Bros. Forest Prod.	BR&S	6-92 to 12-93
Tug Glacier	MELCO	Seacoast	mo. to mo.
Tug Sieg. Tiger	Siegfried	Seacoast	mo. to mo.
Tug Ocean Warrior	Tri-Ocean Marine	Seacoast	mo. to mo.
Tug Pacific Eagle	Tweed Towing	Seacoast	mo. to mo.

BMC = Brix Maritime Co.
 BMBI = Brix Maritime Barging Inc.
 BR&S = Brix Rafting & Sorting
 BMT = Brix Maritime Towing
 MELCO = Marine Equipment Leasing Co.

SCHEDULE 2.1.13(v)

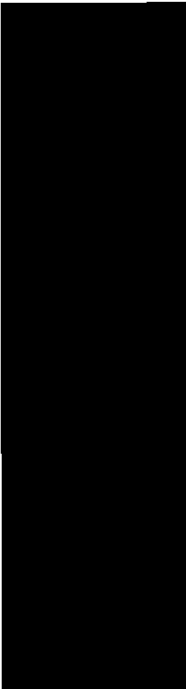
Summary of 1992 Bonuses Paid - All Employees (Brix Maritime Co. & Subsidiaries)

CEO
Mgmt Incentives
Captains
Tankermen
Mechanics
BMC - selected
BMT
BRS
Sea Coast Towing (F/Y/E 3/31/93)



SCHEDULE 2.1.13(vii)

Contracts Involving Payments
of \$10,000 or more or Extending
Beyond December 31, 1993

<u>File No.</u>	<u>Date</u>	<u>Description</u>	<u>Amort</u>
2207	1/1/93	Charter to BMC from Sea Coast of BMC 36 Month to month	
391	1/1/93	Agreement to pay Maritime Fire & Safety Association \$35 per trip on our bunker bargers	
4141	1/1/93	Consulting Agreement dated 12/28/92 with Arthur A. Riedel Monthly payment 1/1/93 to 12/31/2002 in the amount of	
4143	5/21/93	License Agreement with Sause Bros to Manufacture Orville Hook	
2195	2/5/93	Revised charter of the Barge Cascades between Zidell owner and Brix Maritime 60 monthly payments of with option to extend five more years	
154	6/3/93	Lease of Site F Port of Wilma from Port of Whitman County Term 6/3/93 to 12/31/95. Annual cost	
6035	5/24/93	Joint Venture Agreement between Bowhead Transportation Corp. and Sea Coast Towing, Inc.	
		See Schedule 2.1.13(iv)	
		Bank Loan and Capital Lease Agreements (see Schedule 2.1.3)	
		Various Agreements with customers for marine services which Foss has had the opportunity to review and which Foss may request (copies) prior to closing.	
		See other Schedule 2.1.13 items	
		Agreement for Purchase of Chip Barge from Zidell (Item 20, Schedule 2.1.4)	

Various leases with the State of Oregon and
State of Washington for Log Storage sites:

Expires:

Port of Whitman Co.	Various Port Facility Sites	1994-2010
Port of Lewiston	Various Port Facility Sites	1994-
Port of Umatilla	Port Facility Sites	2001
Port of Seattle	Various Terminal Facilities	1996-1997
Port of Portland	Terminal 4	1997
Ben A. Thomas	Log Storage	1995
James River II	Various Log Booms	1994-1997
	Log Storage Facilities	
United Willbridge Partners	Vessel Moorage	
Consolidated Diking District	Log Dump	1996
Burlington Northern	Various Land Parcels	1994-1999
Western Transportation	Log Storages	1995
Edwin R. Haglund	Marine Ways	1994
S. Wasser	Log Storage	1994
Cavenham Forest Industries	Log Dumps	1997
Sam Melonas	Vessel Moorage	1994
Potlatch Corp.	Log Storage	1994
Mt. Adams Loggers Assn.	Log Storage	1996
McCormick & Baxter	Vessel Moorage	1994
Portland General Electric	Log Storage	1994
Management Training Corp.	Log Storage & Barge Tie Up	1994

Principal Option Corporation Contracts:

Washington Marine Services	Towing Services	Indefinite
Lone Star Northwest	Towing Services	1995
U.S. Navy	Ship Assists	1994
M.A. Mortenson Const.	Dock Security	1994

SCHEDULE 2.1.13(xiii)
LIST OF CONTRACTS WITH RELATED PARTIES:
SHAREHOLDERS, DIRECTORS, OFFICERS & IMMEDIATE FAMILY

File No	Equipment	Lessor	Lessee	Expires	Monthly Payment
2008	BMC 32	Siegfried	BMC	11-14-96	
2009	BMC 30	Siegfried	BMC	11-14-96	
2033	PJBrix	Peter J. Brix	BMC	8-17-95	
2036	Baranof	Siegfried	BMC	11-14-96	
2037	Clarkston	Peter J. Brix	BMC	11-14-96	
2038	Alapul	Peter J. Brix	BMB	11-14-96	
2047	Bismark	Siegfried Co.	BMC	11-14-96	
2080	Siegfried Tiger	Siegfried	Sea Coast Towing	Month to Month	
2121	BMC1	Mary Troy Trust	BMC	9/30/97	
2190	BMC 38	BP Marine	BMC	3/31/97	
2194	BMC 22	Siegfried	BMC	3/31/97	
2201	Howard Olsen	Enterprise Venture Partners	BMB	5/15/00	
2202	Tug Falcon	Hayden Investment Co	BMB	3/31/95	
2208	Brandy Bar	Mary Troy Trust	BMC	2/28/95	
2209	Arrow 3	Mary Troy Trust	BMC	2/28/95	
89	Building, Yard, Boat Ways	Edwin R Haglund	BMT	Informal Year to Year	
114	Linnton Prop	Siegfried	BMC	12/31/99	
	Taylor Container Handler	IV Seasons Leasing	BMC	2/28/95	
	BMC 470	Knappton Leasing	BMC	7/7/94	
	Ocean Warrior	Tri Ocean Charters, Inc.	Sea Coast Towing		

SCHEDULE 2.1.15

(a) See also items 17 and 21 on Schedule 2.1.4.

(b)1. BMC and **BRIX MARITIME BARGING, INC.**, have initiated Unit Clarification Proceedings relating to Masters and Mates.

(b) The IBU has historically attempted to subject **SEA COAST TOWING, INC.**, to the terms of existing labor agreements.

(b) BMC and Subsidiaries are routinely engaged in processing grievances or employment claims and periodically in labor negotiations.

(b) As a result of items 2, 3 and 4, the relations with some employees cannot be characterized as "good."

SCHEDULE 2.1.16
Employee Welfare Benefit Plans

Pension Benefit Plans

NAME	TYPE OF PLAN	CONTRIBUTION PERCENTAGE REQUIRED	YEAR OF LAST AMENDMENT	REQUIRED INCREASES IN CONTRIBUTIONS
Brix Maritime Co. Employees' Money Purchase Pension Plan	Money Purchase Pension Plan	6% of Annual Compensation	1991	None
Brix Maritime Co. Boat Operators' Money Purchase Pension Plan	Money Purchase Pension Plan	\$3.06/hour for first 80 hours worked during each month	1993	
Brix Maritime Company 401(k) Plan	401(k) Plan	Agreements with Boat Operators to contribute certain percentage; no employer obligation for other employees	1992	None
International Org of Masters, Mates & Pilots Individual Retirement Account Plan and Northwest Marine Retirement Trust - per Rule 17 of Contract with International Org of Masters, Mates & Pilots, Pacific Maritime Region	Defined Contribution	See Rule 17 of Bargaining Agreement	1993	None
Inlandboatmens Union of the Pacific National Pension Trust and Northwest Marine Retirement Trust - per Rule 20 of Master Agmt with Brix Maritime Barging, Inc., and supplemental agreements for: 1) Inside Towing, and 2) Ocean & Coastwise Towing	Defined Contribution	See Rule 20 of Bargaining Agreement	1992	None
Inlandboatmen's Union of the Pacific National Pension Trust - per Article X of Agreement with International Longshoremen's & Warehouse Union, Local 8	Defined Contribution	See Article X of Bargaining Agreement	1985	

Other **

NAME OF PLAN OR PROVIDER	TYPE OF BENEFIT	EMPLOYER CONTRIBUTION	
Brix Maritime Co. Stock Appreciation Rights Plan	Unit Appreciation Based on Book Value	N/A	
Seacost Deferred Compensation Pension Plan	Non-Qualified Deferred Comp Plan	Up to 4% of salary/wages	
Brix Maritime Co.	Sick Leave	1/2 day per month for salaried full-time employees, up to a maximum of 30 days	
Brix Maritime Co.	Vacation Benefits	<u>Years of Continuous Service</u>	<u>Weeks of Vacation</u>
		1 year	2 weeks
		5 years	3 weeks
		12 years	4 weeks
		20 years	5 weeks
Blue Cross & Blue Shield of Oregon and Kaiser Permanente	Health Insurance Benefits	Employer paid for all non-collectively bargained employees	
	Death Benefits	\$10,000 life insurance on each employee; plus Manager's Life Insurance Plan covers 4 select employees	
	Disability Benefits	Covers 4 select employees	
Brix Maritime Co.	Severance Benefits	No established policy	

** This listing does not include benefits payable under any collectively bargained plans, which provisions are contained in each collective bargaining agreement.

SCHEDULE 2.1.17

Consent of lenders or lessor listed in Schedule 2.1.3.

Consent of Port of Seattle under leases of Terminal 18 and Terminal 46 Seattle for terms expiring 9/96 and 8/97 (lessee BMBI).

Consent of Port of Portland under lease of Terminal 4 in Portland for term expiring 3/97 (Lessee BMC).

SCHEDULE 2.1.18

1. Dutra Arbitration.
2. BMC v. Aqua Marine Constructors, Inc. (collection for approximately [REDACTED] of disputed claim).
3. See items 17 and 21, Schedule 2.1.4 and Schedule 2.1.22(vii).
4. See attached list as of August 1, 1993.

ATTACHMENT TO SCHEDULE 2.1.18

1. Patrick Simms v. Dakota Minerals and Brix, Multnomah County Circuit Court, Case No. 9301-00486 (RJK). Plaintiff claims that he suffered personal injuries as a result of losing control because of a large dip in the roadway on Agnes Road adjacent to the Company's log yard. Brix was the lessee of the property at the time of the accident, although there are other multiple defendants involved in the case. Plaintiff is seeking [REDACTED] in noneconomic or general damages and [REDACTED] in economic damages from all defendants. The case has just recently been filed and no discovery has yet begun. It is our understanding that the Company is appropriately insured, subject to a deductible which we understand to be [REDACTED] per claim. At this time, we are unable to render an opinion as to the likely outcome of the case, or the potential liability, if any, to the Company.

2. Grende, Wallaert and Elliott. This is an unasserted claim by Travis Grende, Cynthia Wallaert, and Suzanne Elliott who were allegedly injured while traveling down Agnes Road. The driver lost control of the vehicle while driving at high speed and sustained injuries and property damage. Claims were made by Arrow Adjusters, Inc. on behalf of Mr. Grende's insurance coverage but the claims were denied. No suit has yet been initiated, and we are unable at this time to determine any potential liability to the Company.

3. Headquarter Oil Spill. In January 1993 the Company discovered a petroleum spill at its headquarters on the Columbia River. The Company notified the DEQ and all reports were filed appropriately. The Company hired a consultant, and the company is currently cleaning up the contamination. There has been no claims made against the Company by the DEQ.

4. Portland General Electric/Brix Maritime (GCS). PGE alleged that one of the Company's barges damaged an underwater cable in the Willamette River. This issue was settled in early 1993 for [REDACTED]. The Company will seek contribution for the damage claim from a third party involved in this dispute.

5. Motor Vessel Central Oil Spill. In June, 1993, Brix was bunkering a freighter which had an oil spill. The Coast Guard was called and it was determined that the freighter was the responsible party in the spill and was responsible for all clean-up costs. No claim has been made that Brix will be involved in the clean-up costs.

6. Jones Act Claims. Jones Act claims on behalf of the Company. We have been advised that these claims are all covered by adequate insurance over and above current deductibles. There are four pending cases.

SCHEDULE 2.1.19

- (a) None.
- (b) See Schedule 2.1.19(b).
- (c) See Schedules 2.1.4, 2.1.5, 2.1.18, 2.1.22 and 2.1.13(i).
- (d) See Schedule 2.1.19(d).
- (e) See Schedules 2.1.13(v), 2.1.16, 2.1.13(iii) and 2.1.4.
- (f) Prepaid U.S. National Bank of Oregon [REDACTED] on the sale of the Tug Washington.
Paid Judgment in Hood v. BMC (approximately [REDACTED])
See (h) below and 2.1.4.
- (g) None.
- (h) See Schedules 2.1.13(i) and (vii) and (f) above.
- (i) See (f) above.
- (j) See Schedule 2.1.2 and Schedules 2.1.13(i) and (xiii).
- (k) See above.

SCHEDULE 2.1.19(b)

Subsidiary	Asset Description	Cost	Reserve	Net Book Value	Sales Price
BMC	89 Ford Tempo				
BMC	Astoria Copier				
BMC	Dart 80 Loader				
BMC	BB10 Cylinder				
BR&S	Carlson BB#8				
BR&S	966C Cat Loader				
Melco	BMC 20 - Flat Deck				
Melco	BMC 37				
Melco	Rustler Rebuilt Heads				
Melco	Earl H PME O/H				
Melco	BMC 46				
Melco	Earl H SME O/H				
Melco	Sarah Brix Prop				
Melco	Idaho				
Melco	BMC 49				
Melco	BMC 19 Winches				
Melco	Mudcat				
Melco	Tug Washington				
Sortwell	Wilma Office Bldg				
Sortwell	650 B Yumbo				
Sortwell	Yumbo Arm Shaft				
Sortwell	L-60				
Sortwell	1970 Ford Water Truck				
Sortwell	Wilma Trailer Hoist				
Sortwell	L-70 O/H				
Sortwell	Wilma Tool Bldg				
Sortwell	1 Stake Semi Trailer				
Sortwell	L-90 Raygo				
Sortwell	L-70 Raygo Wagner				
Sortwell	10 Sets Log Bunks				
Tweed	L/H Improvements				
Tweed	74 Chev Truck				
Tweed	Boom Equipment				
Tweed	Phone System				
BMC	Two Caterpillar engines				
BMC	Two Caterpillar engines				

 Sale from Parts inventory
 2 Sale from Parts inventory

See also Schedule 2.1.13(i)

SCHEDULE 2.1.19(d)

Name	Regular	Car Allow	Life Ins	Medical	Unemploy	Total	1992 Increase	Date
Anderson, James V.								4-1
Anderson, Kendall R.								3-1
Beall, Edward S.								
Beyer, Timothy J.								
Bishop, David G.								
Byonskaas, Adelle								6-1
Branch, Steven P.								
Brix, Peter J.								
Brown, Linda L.								5-1
Burnett, William D.								4-1
Caballero, Rafael A.								
Cornstock, Donald G.								
Cooper, Laury L.								
Cummings, Burke T.								
Davis, Cynthia L.								4-1
Davis, Norman W.								
Decker, Nancy R.								
Derr, Arlene F.								4-1
Elliott, James N.								
Elsener, Lisa K.								
Eubanks, Joe L.								4-1
Everman, James R.								4-1
Fajardo, Patricia A.								2-1
								6-1
Farrier, Dianne K.								4-1
Fogel, Cheryl L.								3-1
Goodell, Amber L.								3-1
Goodwin, David A.								
Haglund, Edwin R.								
Hargin, Cheryl D.								4-1
Harris, B Linton								4-1
Harris, Robert Rene								5-1
Hasler, Robert J.								
Henrickson, Maria K.								
Hindman, Robert A.								
Hoff, Michael E.								3-1
Hopper, Janie L.								
Ilg, Donna C.								4-1
Jett, Sally F.								5-1
Lavelle, Margaret D.								
Lorentz, Vickie L.								
Maio, Teresa A.								6-1
McDaniel, Nick A.								4-1
McMorine, Wendy M.								
McMurry, Virgene D.								
Meek, Daniel E.								5-1
Myers, Michael L.								4-1
Newbry, Gaylord W.								2-1
								for ins 8-1
Olson, E Whitney								
Paul, Terri								4-1
Peck, Thomas H.								
Pipher, Ronald E.								4-1
Polland, David A.								
Powers, Toni M.								
Ramey, Wendee C.								
Reed, Bruce A.								
Reynolds, Allen C E								7-1
Schmitt, Ann R.								
Shawver, Mel L.								
Siegrist, Ralph H.								4-1
Skiles, Mary Ann								4-1
Smith, Evert V.								
Stephens, Larry J.								2-1
Sugura, Christine L								
Triplett, Aleen K.								3-1
Urbanski, Lawrence L								
Waldum, Jon C.								
Wells, Linda D.								4-1
Woodfield, Edwin M.								
Worley, Ronald L.								
Walker, Gordon A.								ds
Olsen, Howard								
Troutman, Mark								4-1
Helen Stephenson								4-1

See Schedule 2.1.7, Item 3

SEA COAST TOWING, INC.
WAGES AT 12/31/92
CHANGES SINCE 12/31/92 PLUS BONUSSES

	Wages	Bonus	Changes
Vernon Adams			
James Armstrong			
Dan Barker			
Andrew Barneburg			
James Barneburg II			
Thomas Brennan			
Rosalio Castro			
Kimberly Davies			
Robert Dorn			
Nicholas Earley			
Boyd Galligan			
Charles Gallup			
Arthur Garnes			
Graeme Heys			
Shane Hostetler			
Thomas Hulbert			
Myron Kjos			
Aisha Knight			
Cindy Kosta			
Dale Lankford			
Michael Lee			
Jeffrey McDonald			
Joanne McKinney			
Dennis Miniken			
Aron Morgan			
Joseph Morgan			
Gregory Nelsen			
Gary Nutt			
Daryl Oudekerk			
Peter Paget			
Jason Pearson			
Randy Petty			
Stephen Pool, Jr.			
Stephen Powell			
Craig Richardson			
Jeffrey Rickard			
Ronald Rustad			
John Sanchez			
S M Schutt			
Vernon Scott, Jr.			
James Sellers			
Joseph Semler III			
Frank Smith			
Patrick Smith			
Sean Smith			
Chris Swan			
Neil Temple			
George Thoreson			
Robert Thurston			
Eric Von Brandenfels			
Eric Wallin			
Michael Wood			

SCHEDULE 2.1.22

Environmental

Underground Tanks:

Portland Terminal - Facility has five underground fuel and lube tanks with permitted usage through 1997. Repairs to a lube oil line have been completed and remedial action to clean up the surrounding area has also been completed.

Coeur d' Alene Terminal - Facility has one underground fuel tank which is not in use. The tank has been filled with water.

Above Ground Tanks - Above ground fuel tanks are on site at the following locations:

Rainier, Oregon	Oregon City, Oregon	Fairview, Oregon
Astoria, Oregon	Bingen, Washington	Burbank, Washington
Coeur d' Alene, Idaho	Milwaukie, Oregon	Wilma, Washington
Scappoose, Oregon	Lewis & Clark Boom	

Use of the refueling tanks at each location is subject to ordinary surface spills over a period of time. None are believed to have caused any soil or groundwater contamination.

The property at Burbank, Washington was purchased in 1992 and an environmental study of the soil was completed indicating no soil or groundwater contamination existed.

SCHEDULE 2.1.22(i)

Brix Maritime Co.

Tug Fuel Spills

03/15/90 - 07/29/93

<u>Date of Loss</u>	<u>Vessel</u>	<u>Description</u>
03/19/90	Brandy Bar	Approximately 1 or 2 quarts of oil was pumped into the water with the bilge water.
10/05/90	PJ Brix	Approximately 1,000 gallons of fuel was accidentally pumped into city's sewer system when sewer line was mistakenly hooked up to fuel system. 100 to 150 gallons spilled into the river at Brix dock.
09/12/91	Betsy L	Approximately 3 gallons of fuel was pumped overboard when automatic bilge pump kicked on during ship assist.
12/28/91	BMC 3	Approximately 15,000 gallons of fuel spilled into the Willamette River during a bunkering procedure. The ship's tankerman was held solely responsible.
01/08/92	BMC 4	Nearly 42 gallons of diesel spilled overboard from a ship during bunkering procedures. The cause was related to a burp in the ship's tank and Brix did not have any liability in this incident.
02/04/92	BMC 7	While completing a transfer of lube oil, the transfer hose fell into the water spilling approximately 1.5 quarts of oil.
03/17/92	Lewiston	Approximately 30 gallons of hydraulic fluid pumped into river after hydraulic lines to the steering were loosened while repairs were being made.
03/27/92	BMC 10	Approximately 1 gallon of fuel spilled into the water while bunkering the S/S "Anna" when her tanks overflowed.
05/10/92	Lewiston	Approximately 30 gallons of diesel spilled during fueling of the tug at Brix Maritime's slip.
07/16/92	Lube Oil Float	Approximately 1 gallon of lube oil spilled into the water due to a faulty hose at Rainier, Oregon.
07/17/92	Chief	Approximately 1 gallon of diesel was pumped into river at Brix Maritime's slip when bilge compartment flooded.
07/27/92	BMC 3	Approximately 1 barrel of fuel spilled into the water due to miscommunication during the bunkering process between the "BMC 3" and S/S "Ansac Prosperity".

SCHEDULE 2.1.22(vi)
Environmental
Asbestos or PCB's

<u>Location</u>	<u>Material</u>	<u>Status</u>
Barge "6668-583"	Asbestos	Encapsulated
Tug "Portland"	Asbestos	Encapsulated

SCHEDULE 2.1.22(vii)

EPA action and investigation involving Car Slip, Inc., in connection with site leased by Car Slip, Inc., on Harbor Island.

See other matters disclosed on Schedule 2.1.22, Schedule 2.1.18.

SCHEDULE 2.1.24

BMC and Subsidiaries are subject to ICC Freight Tariffs 200 and 201 and Local Freight Tariff 200-B and are subject to the Interstate Commerce Act and Regulations promulgated thereunder with regard to said tariffs, future tariffs and other related matters.

SCHEDULE 2.2.2

See Schedule 2.2.3.

SCHEDULE 2.2.3

- ◆ The consent of lenders to Foss's parent corporation must be obtained.
- ◆ Hart-Scott-Rodino.

SCHEDULE 3.2.7(a)

Tom VanDawark
Robert McMillen
Mike Garvey
Jim Kibble
Kerry Radcliffe
Steve Scalzo
Chuck Kauffman
Joe Langjanr
Sue Cooper
David Grant
Alan Sherbrooke
Frank Feeman

(SWW2/46570/15968/AM/542481.1)

SCHEDULE 3.2.7(b)

Peter J. Brix
Edward Beall
Robert Hindman
Laurie Cooper
Jim Gaffney
Joseph Tennant
Patrick H. Richardson
James R. Moore

Carmen Calzacorta
Bruce Reed
Anthony Motschenbacher
Karey A. Schoenfeld
Eli Morgan
Robert J. DeArmond
Thomas M. Triplett

Brix Maritime Co.

Tug Fuel Spills

03/15/90 - 07/29/93

<u>Date of Loss</u>	<u>Vessel</u>	<u>Description</u>
10/28/92	BMC 4	The hose connections between the "BMC 4" and the bunkering ship "Keystone Canyon" were not liquid tight resulting in a small fuel sheen in the water at Swan Island.
10/30/92	Knappton	Approximately 1 to 5 gallons of diesel was pumped into river at Brix Maritime's slip when bilge compartment flooded.
11/03/92	Knappton	Approximately 1 to 5 gallons of diesel was pumped into river at Brix Maritime's slip when bilge compartment flooded.
11/05/92	Chief	Less than 5 gallons of fuel was pumped into river at Brix Maritime's slip when bilge compartment flooded.
11/14/92	Idaho	Approximately 1 cup of lube oil spilled into river when cap came off of the end of the lube hose.
11/20/92	Portland	Approximately 25 gallons of diesel "burped" from fuel hose when the Tug "Portland" was at the Chevron fuel dock.
11/21/92	Fairwind	Approximately 25 gallons of diesel "burped" from the hose when the "Fairwind" was at Prince Rupert Harbor for refueling.
01/16/93	Knappton	A spill 15' x 60' was reported when the bilge pumps were mistakenly left on.
01/17/93	BMC 3	Approximately 2 to 3 barrels spilled onto the deck due to an overfilled tank.
01/22/93	BMC 2	Approximately 4 barrels spilled onto the deck due to a faulty hose valve on the ship "Timpe". Brix was not at fault.
02/27/93	BMC 8	A small amount of fuel spilled during bunkering, no fuel entered the water.
03/11/93	Fairwind	The Tug "Fairwind" was pumping ballast into the water when a crewmember noticed there was diesel mixed with the ballast. Approximately 5 to 10 gallons of diesel entered the water.

Brix Maritime Co.

Tug Fuel Spills

03/15/90 - 07/29/93

<u>Date of Loss</u>	<u>Vessel</u>	<u>Description</u>
03/19/93	Rainier	Approximately 40 to 50 gallons of gasoline spilled into the water at Roche Harbor in the San Juan Islands when a hose discharging to Island Petroleum broke.
03/19/93	Howard Olsen	Approximately 1 to 3 gallons of diesel spilled at Rainier Petroleum in Seattle when a fuel hose burped fuel on the deck and into the water.
06/03/93	BMC 2	An unknown quantity of oil spilled into the Columbia River while the "BMC 2" was bunkering the M/V "Central". The U.S.C.G. determined the spill was due to an overfilled tank and was solely the responsibility of the M/V "Central".
07/23/93	Tiger	Approximately 3 to 5 gallons of Diesel 2 spilled while the "Tiger" was being fueled at the McCall dock when a line burped. The fuel was contained under the dock.

EMPLOYMENT AGREEMENT

THIS AGREEMENT (the "Agreement"), dated as of the ____ day of _____, 1993 by and between Brix Maritime Co. ("BMC") and Peter J. Brix ("Brix").

RECITALS

WHEREAS, by a Stock and Asset Purchase Agreement dated August ____, 1993, among BMC, Foss Maritime Company ("FMC"), and the shareholders of BMC (the "Acquisition Agreement"), FMC is to acquire, among other things, all of the outstanding stock of BMC;

WHEREAS, FMC and BMC desire that Brix be employed by BMC during the term of this Agreement, and Brix desires to so act.

NOW THEREFORE, in consideration of the premises and of the mutual promises herein set forth and the payments to Brix pursuant to the Acquisition Agreement, the parties hereto agree as follows.

1. Employment.

1.1 Term. BMC agrees to employ Brix and Brix agrees to be employed by BMC upon the terms and conditions set forth herein for a period beginning on the Closing Date (as defined in the Acquisition Agreement) and ending 40 months thereafter ("Employment Term").

1.2 Duties. During the Employment Term, Brix agrees faithfully to contribute to the management, operations, and business of BMC to the best of his ability, subject to the reasonable directives of the Board of Directors of BMC. Brix will be available an average of at least 20 hours per week during the Employment Term.

2. Compensation.

2.1 Employment Term. BMC agrees to pay to Brix a salary at the rate of [REDACTED] per month for each month of his employment hereunder.

2.2 Benefits. Except as provided in Paragraphs 3 and 4 below, and except as provided under the BMC Money Purchase Pension Plan for the period of the calendar year 1993, Brix shall not be entitled to any benefits from BMC (or FMC) during his Employment Term.

3. Business Expenses. BMC will provide for the payment of, or reimburse Brix for, travel and other out-of-pocket expenses reasonably incurred by him in connection with

his services hereunder and properly accounted for, all in accordance with the then applicable policies of BMC during the Employment Term.

4. Insurance.

4.1 Life Insurance. Upon the request of Brix made prior to February 1, 1994, BMC shall either convert the following policies on the life of Brix to paid up policies and transfer the ownership of such policies to Brix or shall distribute the policies to Brix without such conversion: Security Life of Denver policies [REDACTED] and [REDACTED]. In addition, Brix shall be allowed to designate before February 1, 1994 the transferee of the following policies and BMC shall transfer its interest in such policies to such designee upon receipt of a sum equal to the total premiums paid to BMC to the date of such transfer of ownership, less policy loans to BMC, and an assumption of said loans by the transferee: Security Life of Denver policy [REDACTED] and Manufacturers Life policy [REDACTED].

4.2 Health Insurance. Until Brix reaches the age of 65 years, BMC shall use its reasonable efforts to make health insurance available to Brix and his dependants consistent with law and the requirements of whatever group plan may then be in effect for BMC management employees from time to time during the Employment Term. If such coverage cannot be obtained or retained, then BMC will use its reasonable efforts to replicate the BMC group health benefits for Brix, provided that Brix reimburses BMC for the per employee costs of the group plan.

5. Proprietary Rights. Brix agrees that BMC will own and Brix hereby waives all right, title, and interest in and to all contributions made to the Business (as defined in the Acquisition Agreement) and the operations of BMC and its subsidiaries and joint ventures by Brix during the term of this Agreement or prior thereto during his employment by BMC, including without limitation all ideas, suggestions, and other contributions made and all results and proceeds derived therefrom. Upon termination, Brix will surrender to BMC all records and other documents that he may have pertaining to the business of BMC or affiliates, and will neither make nor retain copies of any such documents. The provisions of this Paragraph 5:

- (i) Will not be affected by termination;
- (ii) Will not apply to any information, matter, or thing that is otherwise in the public domain or that has been disclosed to others by BMC or FMC or other members of the Group, or their employees or agents (excluding Brix).

Notwithstanding this Paragraph 5, Brix shall have the right to remove certain items of tangible personal property identified on Exhibit A hereto from the offices of BMC at or prior to expiration of this Agreement.

6. Confidential Information. Brix acknowledges that he will have access to confidential records, customer lists, data, drawings, writings, and other materials of BMC and related entities. Brix agrees that during the term hereof, and thereafter, without limitation as to time, place or otherwise, he will not directly or indirectly disclose to others or use for his own benefit or the benefit of others any of the foregoing information, except in the course of his duties hereunder for the benefit of BMC and related entities. All records, files, writings, drawings, lists, data, and similar materials and information that Brix will prepare, use, or otherwise come into contact with during the course of this Agreement, will, as between BMC and Brix, at all times remain the sole property of BMC. The provisions of this Paragraph 6 will not apply to any information, matter, or thing that is otherwise in the public domain or that has been disclosed to others by BMC, FMC or other members of the Group, or their employees or agents (excluding Brix).

7. Right of First Refusal. In the event BMC desires to sell or otherwise dispose of the PACIFIC EXPLORER to an Unrelated Third Party (as defined below) during the 10 year period commencing on the Closing, BMC will notify Brix in writing of the proposed sale or other disposition setting forth the name of the purchaser, the purchase price, and all other material terms and conditions of the sale ("Offer"). Brix then will have the right to purchase at the purchase price and on the terms and conditions set forth in the Offer by giving written notice within 30 days of receipt of the Offer. If Brix fails to exercise its right of first refusal within the 30-day period, BMC shall be free to sell the vessel on the same terms and conditions contained in the Offer. In the event the purchase price does not consist solely of cash, BMC will furnish Brix with BMC's good faith estimate of the cash equivalent of the non-cash portion of the purchase price. The purchase price payable by Brix upon exercising his right of first refusal will consist of cash equal to the cash equivalent so estimated by BMC plus any cash included in the purchase price. For purposes of this paragraph, the term "Unrelated Third Parties" shall exclude FMC's parent corporation, all of such parent corporation's direct and indirect subsidiaries and all of the shareholders of such parent corporation.

8. Office. Until Brix reaches the age of 65 years, Brix shall have the right to a private office at the company's facilities and reasonable access to a secretary.

9. Freedom to Execute Agreement. Brix represents and warrants that he is free to enter into this Agreement; he is not subject to any obligation or disability that will or might prevent him from or interfere with his fully keeping and performing all of the covenants and conditions to be kept and performed by him hereunder; he has not made and will not make any grant or assignment or other agreement that will or might conflict with or impair the complete enjoyment by BMC of the rights and privileges granted to it hereunder; and the ideas, suggestions, materials, and other contributions of Brix during the term hereof will not violate or infringe upon the personal or property rights of any person or other legal entity, and the use thereof by BMC or any permitted assignee will not give right to any claim, liability or cost whatsoever.

10. Assignment. This Agreement will not be assignable in whole or in part by any party hereto without the prior written consent of the other party hereto.

11. Non-Waiver. No waiver by any of the parties hereto of any failure by any other party to keep or perform any covenant or condition of this Agreement will be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant or condition.

12. Notices. Any notices given hereunder will be in writing and sent by registered mail, return receipt requested, if to BMC at _____ (Attention _____) and, if to Brix, at _____, or to such other person or address as may be designated in writing by the respective parties hereto.

13. Entire Instrument. This Agreement is intended to supersede all other employment agreements between the parties hereto, whether written or oral, including without limitation, that certain Employment Agreement between Brix, Twin City Barge, Inc., and Knappton Corporation, dated September 29, 1982 which agreement is hereby terminated. Any changes to this Agreement must be agreed by the parties in writing. No officer, employee, or representative of BMC or FMC has any authority to make any representation or promise in connection with the Agreement or the subject matter hereof that is not contained herein and Brix agrees that he has not executed this Agreement in reliance upon any such representation or promise.

14. Governing Law. This Agreement will be construed and enforced in accordance with the law of the State of Oregon.

15. Name. BMC authorizes and consents to Brix using the name "Brix" in an assumed, partnership or corporate name as long as: (a) it is used in conjunction with other words which have no maritime relationship or association, and (b) the activities associated with such usage do not involve the Business (as defined in the Acquisition Agreement) (provided, however, the requirement of this subsection (b) only shall not apply as to activities permitted under § 3(e) of the Non-Competition Agreement after _____, 1996).

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date and year first above written.

BRIX MARITIME CO.

By _____

PETER J. BRIX

EXHIBIT A
TO EMPLOYMENT AGREEMENT

Arrow III Painting
Betsy L. Painting (Astoria)
Bronze Diving Helmet
Lantern
Engine Room Telegraph
Oriental Rug
Korean Axe
Copper Compass
Sextant
Search Light
Whistle
Barometers
Jennie Barber Plaque
Peter J Plaque
Brass Bell
Compass
Pilot House Telegraph
Binacle
Lantern
Compass
Wheel
Arrow III Model
Betsy L. Model

Myrtle Wheel
Gauge Board
Brass Lights
Astoria Dock Painting
Lurline Schedule
Portland Print
4 Port Lights
St. Francis Bronze
Presidents Photo
Conference Room Wheel
2 End Tables - Copper Top
Peter Brix Office Furniture
3 Telephones
Coatrack
2 Brass Lights
Oklahoma Wheel
Bronze Eagle
Large Anchor
Louie III Painting
Various Black and White Photos of Old
Equipment
Teak Ship's Wheel
Olympic Water Color

(542495.1)

CONSULTING AGREEMENT

This Agreement (herein referred to as the "Agreement") is made this ____ day of _____, 1993, between JOSEPH TENNANT (herein "Tennant"), and BRIX MARITIME CO., a Delaware corporation (herein referred to as the "Company").

RECITALS

WHEREAS, Tennant has transferred to Foss Maritime Company ("Foss") all of his stock in the Company, pursuant to that certain Stock Purchase Agreement dated _____, 1993 (the "Acquisition Agreement"), among, inter alia, Tennant, the Company and Foss;

WHEREAS, Foss acquired all outstanding shares of the Company and intends to continue the Business;

WHEREAS, Foss desires to have Tennant remain as a consultant to the Company and Tennant desires to so act;

WHEREAS, as a condition to Closing under the Acquisition Agreement, Tennant is to execute and deliver this Consulting Agreement;

WHEREAS, Foss has delivered to Tennant the sum of _____ (\$ _____) to secure Tennant's agreement as provided herein;

NOW THEREFORE, in consideration of the premises and mutual promises and covenants of the parties hereto and the payment by Foss of \$ _____ to Tennant, the Company and Tennant agree as follows:

1. Definitions. Capitalized terms used herein and not otherwise defined shall have the same meanings as in the Acquisition Agreement.
2. Term/Duties. For a period of three (3) years, commencing on the Closing Date, Tennant agrees to advise and consult with management of the Company in all matters reasonably requested of him and to devote such time and attention to such matters as appropriate. Termination of this Agreement will not affect the continuing enforceability of any other Agreement between Tennant and the Company or Buyer (or their affiliates), including without limitation the Acquisition Agreement. The Company will provide for payment of, or reimburse Tennant for, travel and other out-of-pocket expenses reasonably incurred by him in connection with his services hereunder and properly accounted for, all in accordance with the then applicable policies of the Company. Tennant shall be an

independent contractor responsible for his own withholding and shall not be entitled to participate in any employee benefits of the Company.

3. Attorneys' Fees. The prevailing party in any suit, action or proceeding brought hereunder shall be awarded its attorneys' fees and costs.

4. Successors and Assigns. The covenants, terms and provisions set forth herein shall inure to the benefit of and be enforceable by the Company, its successors, assigns and successors in interest, including, without limitation, any corporation with which the Company may be merged or by which it may be acquired, and Tennant and his successors, assigns and successors in interest, and shall be binding upon successors, assigns and successors in interest of the parties hereto. This Agreement is not assignable in whole or in part by Tennant.

5. Integrated Agreement. This Agreement constitutes the entire Agreement between the parties hereto with regard to the subject matter hereof, and there are no agreements, understandings, restrictions, warranties or representations relating to said subject matter between the parties other than those set forth herein or herein provided for. Neither this Agreement nor any provision hereof may be waived, discharged or terminated, except by an agreement in writing signed by the party against whom or which the enforcement of such waiver, discharge or termination is sought.

6. Counterparts. This Agreement may be executed in one or more counterparts, each of which will take effect as an original and all of which shall evidence one and the same agreement.

7. Governing Law. The terms of this Agreement shall be governed by and construed in accordance with the laws of the State of Oregon.

8. Amendment and Modification. This Agreement may only be amended or modified by the mutual agreement of the parties in writing.

9. Captions. The captions contained in this Agreement are included only for convenience of reference and do not define, limit, explain or modify this Agreement or its interpretation, construction or meaning.

10. No Waiver. No change, termination or attempted waiver of any of the provisions of this Agreement shall be binding upon the Company or Tennant unless in writing and signed by the party to be charged.

11. Notices. Any notice, request, demand, waiver, consent approval or other communication which is required or permitted hereunder shall be in writing and shall be

deemed given only if delivered personally or sent by overnight courier or by registered or certified mail, postage prepaid, as follows:

If to Tennant:

and to:

If to Company:

and to:

or to such other address as the addressee may have specified in a notice duly given to the sender as provided herein. Such notice, request, demand, waiver, consent, approval or other communication will be deemed to have been given as of the date so delivered, telegraphed or mailed.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

BRIX MARITIME CO.

By: _____
Its _____

Joseph Tennant

NONCOMPETITION AGREEMENT

THIS AGREEMENT (herein referred to as the "Agreement"), made this ____ day of _____ 1993, between PETER J. BRIX (herein referred to as "Seller"), and FOSS MARITIME COMPANY, a Washington corporation (herein referred to as the "Buyer").

RECITALS

WHEREAS, Seller has transferred to Buyer his interest in Brix Maritime Company (the "Company") and certain related companies and assets pursuant to that certain Stock and Asset Purchase Agreement, dated _____, 1993 (the "Acquisition Agreement"), among, inter alia, the Seller, Buyer and the Company; and

WHEREAS, Buyer acquired all outstanding shares of the Company and intends to continue the Business; and

WHEREAS, Seller has intimate knowledge of the Business which, if exploited by the Seller in contravention of this Agreement, could seriously, adversely and irreparably affect the ability of the Buyer and Company to continue the Business previously conducted by the Company and Seller; and

WHEREAS, as a condition to closing under the Acquisition Agreement, the Seller is to execute and deliver this Noncompetition Agreement; and

WHEREAS, Buyer has delivered to Seller the sum of \$3,400,000 to secure Seller's agreement as provided herein.

NOW, THEREFORE, in consideration of the premises and the mutual promises and covenants of the parties hereto and the payment by Buyer of \$3,400,000 to Seller, the Seller and the Buyer agree as follows:

1. Definitions. Capitalized terms used herein and not otherwise defined shall have the same meanings as in the Acquisition Agreement. The term "Affiliates" as used in this Agreement, means any entity or enterprise in which Seller has a management, control or financial interest, directly or indirectly, at the time any determination is made under this Agreement.

2. Noncompetition. Seller covenants and agrees that, for a period of six (6) years commencing on the Closing Date of the Acquisition Agreement, he and all of his Affiliates will not anywhere in the western U.S. and Canada (the "Territory"), directly or indirectly, compete with Buyer or the Company by carrying on a business which is substantially similar to the Business as conducted on or prior to the Closing Date.

3. Definition of "Compete". For the purposes of this Agreement, the term "compete" shall mean: (i) actively engaging, supervising or managing any business substantially similar to the Business in the Territory, or (ii) entering into or attempting to enter into any business substantially similar to the Business in the Territory, either alone or with any individual, partnership, corporation or association; provided, however, nothing herein shall prohibit Seller from (a) retaining his present ownership interest in St. John's Group, Inc. and operating St. John's Group, Inc. in its present geographic location and in a manner substantially similar to its present operations; or (b) from retaining his present ownership interest in Hayden Investment Corporation and its subsidiaries (collectively, "Hayden") and operating Hayden in its present geographic location on the Yukon River and its tributaries, the Kuskokwim River and its tributaries and the West Coast of Alaska between the Kuskokwim River and Wales in a manner substantially similar to its present operations of marine general freight and movement of liquid cargo; or (c) from continuing to own a non-controlling interest in Longview Booming, Inc. (with the understanding that if Seller becomes a controlling person with regard to such corporation, its permitted operations under this proviso become limited to the geographic location and scope of operations as of the effective date hereof); or (d) from providing services to Foss or its affiliates; or (e) following _____ 1996, from owning and bareboat leasing of vessels (but not operating vessels) to third parties. Notwithstanding anything herein to the contrary, Brix shall have 30 days after the date hereof to dispose of his interest in Brusco Tug & Barge, Inc. Notwithstanding anything herein to the contrary, Seller shall be allowed to participate in non-maritime businesses in the State of Alaska and to participate in providing environmental services in the geographic area where Hayden presently conducts its business but not in the remainder of the Territory.

4. Indirect Competition. For the purposes of this Agreement, the term "indirectly" as it modifies the term "compete" shall mean (i) acting as an agent, representative, consultant, employee or independent contractor, of any entity or enterprise which is competing (as defined in Section 3 hereof), (ii) participating in any such competing entity or enterprise as an owner, partner, limited partner, joint venturer, creditor or stockholder (except as a stockholder holding less than one percent (1%) interest in a corporation whose shares are actively traded on a regional or national securities exchange or in the over-the-counter market).

5. Nonsolicitation of Employees and Customers. For a period of six (6) commencing on the Closing Date, Seller shall not, and agrees that his Affiliates shall not, solicit for hire any person who, after the Closing, is employed by the Company or the Business (except Adele Bjonskaas and Sally Jett). Seller further agrees that, for a period of six (6) years commencing on the Closing Date, he and his Affiliates will not anywhere in the Territory solicit any business from any existing or prior customers of the Company or the Business, which business is substantially similar to or related to the Business.

6. Equitable Relief. Seller acknowledges that his expertise in the Business described herein is of a special, unique, unusual, and extraordinary character which gives said expertise a peculiar value, that a breach by him of the provisions of this Agreement cannot reasonably or adequately be compensated in damages in an action at law; and that a

breach by him of any of the provisions contained in this Agreement will cause the Buyer irreparable injury and damage. Seller further acknowledges that he possesses unique skills, knowledge and ability and that competition by him or his Affiliates in violation of this Agreement would be extremely detrimental to Buyer. By reason thereof, he agrees that the Buyer shall be entitled, in addition to any other remedies it may have, to preliminary and permanent injunctive and other equitable relief to prevent or curtail any breach of this Agreement; provided, however, that no specification in this Agreement of a specific legal or equitable remedy shall be construed as a waiver or prohibition against the pursuing of other legal or equitable remedies in the event of such a breach.

7. Extension. In the event of litigation to enforce this Agreement, and if it is determined by final court order that Seller has breached the Agreement, then the terms and conditions herein shall be extended for a period of time equal to the period of such breach, which extension shall commence on the later of (a) the date on which the original (unextended) term of the Agreement is scheduled to terminate, or (b) the date of the final court order (without further right of appeal) enforcing the Agreement.

8. Attorneys' Fees. The prevailing party in any suit, action or proceeding brought hereunder shall be awarded its attorneys' fees and costs.

9. Severability. While Seller acknowledges that the restrictions contained herein are reasonable, in the event that any provision of this Agreement or any word, phrase, clause, sentence or other portion thereof (including, without limitation, the geographical and temporal restrictions contained herein) should be held to be unenforceable or invalid for any reason, such provision or portion thereof shall be modified or deleted in such a manner so as to make this Agreement as modified legal and enforceable to the fullest extent permitted under applicable laws.

10. Successors and Assigns. The covenants, terms and provisions set forth herein shall inure to the benefit of and be enforceable by the Buyer, its successors, assigns and successors in interest, including, without limitation, any corporation with which the Buyer may be merged or by which it may be acquired, and the Seller and their successors, assigns and successors in interest, and shall be binding upon successors, assigns and successors in interest of the parties hereto. This Agreement is not assignable in whole or in part by Seller.

11. Integrated Agreement. This Agreement constitutes the entire Agreement between the parties hereto with regard to the subject matter hereof, and there are no agreements, understandings, restrictions, warranties or representations relating to said subject matter between the parties other than those set forth herein or herein provided for. Neither this Agreement nor any provision hereof may be waived, discharged or terminated, except by an agreement in writing signed by the party against whom or which the enforcement of such waiver, discharge or termination is sought.

12. Counterparts. This Agreement may be executed in one or more counterparts, each of which will take effect as an original and all of which shall evidence one and the same agreement.

13. Governing Law. The terms of this Agreement shall be governed by and construed in accordance with the laws of the State of Washington. Seller hereby submits to the jurisdiction of the courts of the State of Washington in King County and the United States District Court for the Western District of Washington to resolve controversies arising under or in conjunction with this Agreement and consents to service of process by certified mail, return receipt requested, addressed in accordance with Paragraph 18 below.

14. Amendment and Modification. This Agreement may only be amended or modified by the mutual agreement of the parties in writing.

15. Captions. The captions contained in this Agreement are included only for convenience of reference and do not define, limit, explain or modify this Agreement or its interpretation, construction or meaning.

16. No Waiver. No change, termination or attempted waiver of any of the provisions of this Agreement shall be binding upon the Buyer or Seller unless in writing and signed by the party to be charged.

17. Notices. Any notice, request, demand, waiver, consent approval or other communication which is required or permitted hereunder shall be in writing and shall be deemed given only if delivered personally or sent by overnight courier or by registered or certified mail, postage prepaid, as follows:

If to Seller:

and to:

If to Buyer:

and to:

or to such other address as the addressee may have specified in a notice duly given to the sender as provided herein. Such notice, request, demand, waiver, consent, approval or other communication will be deemed to have been given as of the date so delivered, telegraphed or mailed.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

FOSS MARITIME COMPANY

SELLER

By: _____
Its _____

NONCOMPETITION AGREEMENT

THIS AGREEMENT (herein referred to as the "Agreement"), made this _____ day of _____ 1993, between HAYDEN INVESTMENT CORPORATION, a _____ corporation (herein referred to as "Seller"), and FOSS MARITIME COMPANY, a Washington corporation (herein referred to as the "Buyer").

RECITALS

WHEREAS, Seller has transferred to Buyer its interest in Brix Maritime Company (the "Company") and certain related companies and assets pursuant to that certain Stock Purchase Agreement, dated _____, 1993 (the "Acquisition Agreement"), among, inter alia, the Seller, Buyer and the Company; and

WHEREAS, Buyer acquired all outstanding shares of the Company and intends to continue the Business; and

WHEREAS, as a condition to closing under the Acquisition Agreement, the Seller is to execute and deliver this Noncompetition Agreement; and

WHEREAS, Buyer has delivered to Seller the sum of \$ [REDACTED] to secure Seller's agreement as provided herein.

NOW, THEREFORE, in consideration of the premises and the mutual promises and covenants of the parties hereto and the payment by Buyer of [REDACTED] to Seller, the Seller and the Buyer agree as follows:

1. Definitions. Capitalized terms used herein and not otherwise defined shall have the same meanings as in the Acquisition Agreement. The term "Affiliates" as used in this Agreement means any subsidiary or affiliate of Seller, including without limitation, any entity or enterprise in which Seller has a management, control or financial interest, directly or indirectly, at the time any determination is made under this Agreement.

2. Noncompetition. Seller covenants and agrees that, for a period of six (6) years commencing on the Closing Date of the Acquisition Agreement, it and all of its Affiliates will not anywhere in the western U.S. and Canada (the "Territory"), directly or indirectly, compete with Buyer or the Company by carrying on a business which is substantially similar to the Business as conducted on or prior to the Closing Date.

3. Definition of "Compete". For the purposes of this Agreement, the term "compete" shall mean: (i) actively engaging, supervising or managing any business substantially similar to the Business in the Territory, or (ii) entering into or attempting to

enter into any business substantially similar to the Business in the Territory, either alone or with any individual, partnership, corporation or association; provided, however, nothing herein shall prohibit Seller from operating on the Yukon River and its tributaries, the Kuskokwim River and its tributaries and the west coast of Alaska from and including Kuskokwim Bay north to and including Wales, Alaska in a manner substantially similar to its present operations. Notwithstanding anything herein to the contrary, Seller shall be allowed to participate in non-maritime businesses in the State of Alaska and to participate in providing environmental services in the geographic area where Hayden presently conducts its business but not in the remainder of the Territory.

4. Indirect Competition. For the purposes of this Agreement, the term "indirectly" as it modifies the term "compete" shall mean (i) acting as an agent, representative, consultant, employee or independent contractor, of any entity or enterprise which is competing (as defined in Section 3 hereof), (ii) participating in any such competing entity or enterprise as an owner, partner, limited partner, joint venturer, creditor or stockholder (except as a stockholder holding less than one percent (1%) interest in a corporation whose shares are actively traded on a regional or national securities exchange or in the over-the-counter market).

5. Nonsolicitation of Employees and Customers. For a period of six (6) years commencing on the Closing Date, Seller shall not, and agrees that its Affiliates shall not, solicit for hire any person who, after the Closing, is employed by the Company or the Business (except for Adele Bjonskaas and Sally Jett). Seller further agrees that, for a period of three (3) years commencing on the Closing Date, it and its Affiliates will not anywhere in the Territory (except as permitted under the proviso in paragraph 3) solicit any business from any existing or prior customers of the Company or the Business, which business is substantially similar to or related to the Business.

6. Equitable Relief. Seller acknowledges that its expertise in the Business described herein is of a special, unique, unusual, and extraordinary character which gives said expertise a peculiar value, that a breach by it of the provisions of this Agreement cannot reasonably or adequately be compensated in damages in an action at law; and that a breach by it of any of the provisions contained in this Agreement will cause the Buyer irreparable injury and damage. Seller further acknowledges that it possesses unique skills, knowledge and ability and that competition by it or its Affiliates in violation of this Agreement would be extremely detrimental to Buyer. By reason thereof, it agrees that the Buyer shall be entitled, in addition to any other remedies it may have, to preliminary and permanent injunctive and other equitable relief to prevent or curtail any breach of this Agreement; provided, however, that no specification in this Agreement of a specific legal or equitable remedy shall be construed as a waiver or prohibition against the pursuing of other legal or equitable remedies in the event of such a breach.

7. Extension. In the event of litigation to enforce this Agreement, and if it is determined by final court order that Seller has breached the Agreement, then the terms and conditions herein shall be extended for a period of time equal to the period of such breach, which extension shall commence on the later of (a) the date on which the original (unextended) term of the Agreement is scheduled to terminate, or (b) the date of the final court order (without further right of appeal) enforcing the Agreement.

8. Attorneys' Fees. The prevailing party in any suit, action or proceeding brought hereunder shall be awarded its attorneys' fees and costs.

9. Severability. While Seller acknowledges that the restrictions contained herein are reasonable, in the event that any provision of this Agreement or any word, phrase, clause, sentence or other portion thereof (including, without limitation, the geographical and temporal restrictions contained herein) should be held to be unenforceable or invalid for any reason, such provision or portion thereof shall be modified or deleted in such a manner so as to make this Agreement as modified legal and enforceable to the fullest extent permitted under applicable laws.

10. Successors and Assigns. The covenants, terms and provisions set forth herein shall be binding upon, inure to the benefit of and be enforceable by the Buyer and Seller, their successors, assigns and successors in interest, including, without limitation, any corporation with which the Buyer or Seller may be merged or any party by which either may be acquired.

11. Integrated Agreement. This Agreement constitutes the entire Agreement between the parties hereto with regard to the subject matter hereof, and there are no agreements, understandings, restrictions, warranties or representations relating to said subject matter between the parties other than those set forth herein or herein provided for. Neither this Agreement nor any provision hereof may be waived, discharged or terminated, except by an agreement in writing signed by the party against whom or which the enforcement of such waiver, discharge or termination is sought.

12. Counterparts. This Agreement may be executed in one or more counterparts, each of which will take effect as an original and all of which shall evidence one and the same agreement.

13. Governing Law. The terms of this Agreement shall be governed by and construed in accordance with the laws of the State of Washington. Seller hereby submits to the jurisdiction of the courts of the State of Washington in King County and the United States District Court for the Western District of Washington to resolve controversies arising under or in conjunction with this Agreement and consents to service of process by certified mail, return receipt requested, addressed in accordance with Paragraph 18 below.

14. Amendment and Modification. This Agreement may only be amended or modified by the mutual agreement of the parties in writing.

15. Captions. The captions contained in this Agreement are included only for convenience of reference and do not define, limit, explain or modify this Agreement or its interpretation, construction or meaning.

16. No Waiver. No change, termination or attempted waiver of any of the provisions of this Agreement shall be binding upon the Buyer or Seller unless in writing and signed by the party to be charged.

17. Notices. Any notice, request, demand, waiver, consent approval or other communication which is required or permitted hereunder shall be in writing and shall be deemed given only if delivered personally or sent by overnight courier or by registered or certified mail, postage prepaid, as follows:

If to Seller:

and to:

If to Buyer:

and to:

or to such other address as the addressee may have specified in a notice duly given to the sender as provided herein. Such notice, request, demand, waiver, consent, approval or other communication will be deemed to have been given as of the date so delivered, telegraphed or mailed.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

FOSS MARITIME COMPANY

HAYDEN INVESTMENT CORPORATION

By: _____
Its _____

By: _____
Its _____

NONCOMPETITION AND CONSULTING AGREEMENT

THIS AGREEMENT (herein referred to as the "Agreement"), made this ____ day of _____ 1993, between ROBERT J. DeARMOND (herein referred to as "Seller"), and FOSS MARITIME COMPANY, a Washington corporation (herein referred to as the "Buyer").

RECITALS

WHEREAS, Seller has transferred to Buyer his interest in Brix Maritime Company (the "Company") and certain related companies and assets pursuant to that certain Stock and Asset Purchase Agreement, dated _____, 1993 (the "Acquisition Agreement"), among, inter alia, the Seller, Buyer and the Company; and

WHEREAS, Buyer acquired all outstanding shares of the Company and intends to continue the Business; and

WHEREAS, Seller has intimate knowledge of the Business which, if exploited by the Seller in contravention of this Agreement, could seriously, adversely and irreparably affect the ability of the Buyer and Company to continue the Business previously conducted by the Company and Seller; and

WHEREAS, Buyer desires to have Seller remain as a consultant to the Company and Seller desires to so act; and

WHEREAS, as a condition to closing under the Acquisition Agreement, the Seller is to execute and deliver this Noncompetition Agreement; and

WHEREAS, Buyer has delivered to Seller the sum of [REDACTED] to secure Seller's agreement as provided herein.

NOW, THEREFORE, in consideration of the premises and the mutual promises and covenants of the parties hereto and the payment by Buyer of [REDACTED] to Seller, the Seller and the Buyer agree as follows:

1. Definitions. Capitalized terms used herein and not otherwise defined shall have the same meanings as in the Acquisition Agreement. The term "Affiliates" as used in this Agreement, means any entity or enterprise in which Seller has a management, control or financial interest, directly or indirectly, at the time any determination is made under this Agreement.

2. Noncompetition. Seller covenants and agrees that, for a period of three (3) years commencing on the Closing Date of the Acquisition Agreement, he and all of his Affiliates will not anywhere in the western U.S. and Canada (the "Territory"), directly or

indirectly, compete with Buyer or the Company by carrying on a business which is substantially similar to the Business as conducted on or prior to the Closing Date.

3. Definition of "Compete". For the purposes of this Agreement, the term "compete" shall mean: (i) actively engaging, supervising or managing any business substantially similar to the Business, or (ii) entering into or attempting to enter into any business substantially similar to the Business, either alone or with any individual, partnership, corporation or association; provided, however, nothing herein shall prohibit Seller from (a) retaining his present ownership interest in St. John's Group, Inc. and operating St. John's Group, Inc. in its present geographic location and in a manner substantially similar to its present operations; or (b) from retaining his present ownership interest in Hayden Investment Corporation and its subsidiaries (collectively, "Hayden") and operating Hayden in its present geographic location on the Yukon River and its tributaries, the Kuskokwim River and its tributaries and the West Coast of Alaska between the Kuskokwim River and Wales and in a manner substantially similar to its present operations; or (c) from providing services to Foss or its affiliates. Notwithstanding anything herein to the contrary, Seller shall be allowed to participate in non-maritime businesses in the State of Alaska and to participate in providing environmental services in the geographic area where Hayden presently conducts its business but not in the remainder of the Territory.

4. Indirect Competition. For the purposes of this Agreement, the term "indirectly" as it modifies the term "compete" shall mean (i) acting as an agent, representative, consultant, employee or independent contractor, of any entity or enterprise which is competing (as defined in Section 3 hereof), (ii) participating in any such competing entity or enterprise as an owner, partner, limited partner, joint venturer, creditor or stockholder (except as a stockholder holding less than one percent (1%) interest in a corporation whose shares are actively traded on a regional or national securities exchange or in the over-the-counter market).

5. Nonsolicitation of Employees and Customers. For a period of three (3) years commencing on the Closing Date, Seller shall not, and agrees that his Affiliates shall not, solicit for hire any person who, after the Closing, is employed by the Company or the Business. Seller further agrees that, for a period of three (3) years commencing on the Closing Date, he and his Affiliates will not anywhere in the Territory solicit any business from any existing or prior customers of the Company or the Business, which business is substantially similar to or related to the Business.

6. Equitable Relief. Seller acknowledges that his expertise in the Business described herein is of a special, unique, unusual, and extraordinary character which gives said expertise a peculiar value, that a breach by him of the provisions of this Agreement cannot reasonably or adequately be compensated in damages in an action at law; and that a breach by him of any of the provisions contained in this Agreement will cause the Buyer irreparable injury and damage. Seller further acknowledges that he possesses unique skills, knowledge and ability and that competition by him or his Affiliates in violation of this Agreement would be extremely detrimental to Buyer. By reason thereof, he agrees that the Buyer shall be entitled, in addition to any other remedies it may have, to preliminary and

permanent injunctive and other equitable relief to prevent or curtail any breach of this Agreement; provided, however, that no specification in this Agreement of a specific legal or equitable remedy shall be construed as a waiver or prohibition against the pursuing of other legal or equitable remedies in the event of such a breach.

7. Extension. In the event of litigation to enforce this Agreement, and if it is determined by final court order that Seller has breached the Agreement, then the terms and conditions herein shall be extended for a period of time equal to the period of such breach, which extension shall commence on the later of (a) the date on which the original (unextended) term of the Agreement is scheduled to terminate, or (b) the date of the final court order (without further right of appeal) enforcing the Agreement.

8. Consulting. For a period of three (3) years (the "Consulting Term") commencing on the Closing Date, Seller agrees to advise and consult with management of the Company in all matters reasonably requested of him and to devote such time and attention to such matters as appropriate. The consulting relationship under this Section 8 may be terminated by Buyer or the Company on 45 days notice. Termination will not affect the continuing enforceability of the remaining Sections of this Agreement or of any other agreement between Buyer, the Company (or their affiliates) and Seller, including without limitation, the Acquisition Agreement dated _____, 1993. The Company will provide for the payment of, or reimburse Seller for, travel and other out-of-pocket expenses reasonably incurred by him in connection with his services during the Consulting Term, and properly accounted for all in accordance with the then applicable policies of the Company. Seller shall be an independent contractor and shall not be entitled to participate in any employee benefit programs of the Company. The inability of Seller to perform services hereunder by reason of illness, disability or death shall not constitute a breach or violation hereof, nor shall it entitle Company or Buyer to any refund, credit or deduction of or from the payment by Buyer to Seller hereunder.

9. Attorneys' Fees. The prevailing party in any suit, action or proceeding brought hereunder shall be awarded its attorneys' fees and costs.

10. Severability. While Seller acknowledges that the restrictions contained herein are reasonable, in the event that any provision of this Agreement or any word, phrase, clause, sentence or other portion thereof (including, without limitation, the geographical and temporal restrictions contained herein) should be held to be unenforceable or invalid for any reason, such provision or portion thereof shall be modified or deleted in such a manner so as to make this Agreement as modified legal and enforceable to the fullest extent permitted under applicable laws.

11. Successors and Assigns. The covenants, terms and provisions set forth herein shall inure to the benefit of and be enforceable by the Buyer, its successors, assigns and successors in interest, including, without limitation, any corporation with which the Buyer may be merged or by which it may be acquired, and the Seller and their successors, assigns and successors in interest, and shall be binding upon successors, assigns and successors in interest of the parties hereto. This Agreement is not assignable in whole or in part by Seller.

12. Integrated Agreement. This Agreement constitutes the entire Agreement between the parties hereto with regard to the subject matter hereof, and there are no agreements, understandings, restrictions, warranties or representations relating to said subject matter between the parties other than those set forth herein or herein provided for. Neither this Agreement nor any provision hereof may be waived, discharged or terminated, except by an agreement in writing signed by the party against whom or which the enforcement of such waiver, discharge or termination is sought.

13. Counterparts. This Agreement may be executed in one or more counterparts, each of which will take effect as an original and all of which shall evidence one and the same agreement.

14. Governing Law. The terms of this Agreement shall be governed by and construed in accordance with the laws of the State of Washington. Seller hereby submits to the jurisdiction of the courts of the State of Washington in King County and the United States District Court for the Western District of Washington to resolve controversies arising under or in conjunction with this Agreement and consents to service of process by certified mail, return receipt requested, addressed in accordance with Paragraph 18 below.

15. Amendment and Modification. This Agreement may only be amended or modified by the mutual agreement of the parties in writing.

16. Captions. The captions contained in this Agreement are included only for convenience of reference and do not define, limit, explain or modify this Agreement or its interpretation, construction or meaning.

17. No Waiver. No change, termination or attempted waiver of any of the provisions of this Agreement shall be binding upon the Buyer or Seller unless in writing and signed by the party to be charged.

18. Notices. Any notice, request, demand, waiver, consent approval or other communication which is required or permitted hereunder shall be in writing and shall be deemed given only if delivered personally or sent by overnight courier or by registered or certified mail, postage prepaid, as follows:

If to Seller:

and to:

If to Buyer:

and to:

or to such other address as the addressee may have specified in a notice duly given to the sender as provided herein. Such notice, request, demand, waiver, consent , approval or other communication will be deemed to have been give as of the date so delivered, telegraphed or mailed.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

FOSS MARITIME COMPANY

SELLER

By: _____
Its _____

NONCOMPETITION AND CONSULTING AGREEMENT

THIS AGREEMENT (herein referred to as the "Agreement"), made this ____ day of _____ 1993, between ELLISON C. MORGAN, individually and as trustee of Management Partnership 401(k) Plan (herein referred to as "Seller"), and FOSS MARITIME COMPANY, a Washington corporation (herein referred to as the "Buyer").

RECITALS

WHEREAS, Seller has transferred to Buyer his interest in Brix Maritime Company (the "Company") and certain related companies and assets pursuant to that certain Stock and Asset Purchase Agreement, dated _____, 1993 (the "Acquisition Agreement"), among, inter alia, the Seller, Buyer and the Company; and

WHEREAS, Buyer acquired all outstanding shares of the Company and intends to continue the Business; and

WHEREAS, Seller has intimate knowledge of the Business which, if exploited by the Seller in contravention of this Agreement, could seriously, adversely and irreparably affect the ability of the Buyer and Company to continue the Business previously conducted by the Company and Seller; and

WHEREAS, Buyer desires to have Seller remain as a consultant to the Company and Seller desires to so act; and

WHEREAS, as a condition to closing under the Acquisition Agreement, the Seller is to execute and deliver this Noncompetition Agreement; and

WHEREAS, Buyer has delivered to Seller the sum of [REDACTED] to secure Seller's agreement as provided herein.

NOW, THEREFORE, in consideration of the premises and the mutual promises and covenants of the parties hereto and the payment by Buyer of [REDACTED] to Seller, the Seller and the Buyer agree as follows:

1. Definitions. Capitalized terms used herein and not otherwise defined shall have the same meanings as in the Acquisition Agreement. The term "Affiliates" as used in this Agreement, means any entity or enterprise in which Seller has a management, control or financial interest, directly or indirectly, at the time any determination is made under this Agreement.
2. Noncompetition. Seller covenants and agrees that, for a period of three (3) years commencing on the Closing Date of the Acquisition Agreement, he and all of his Affiliates will not anywhere in the western U.S. and Canada (the "Territory"), directly or

indirectly, compete with Buyer or the Company by carrying on a business which is substantially similar to the Business as conducted on or prior to the Closing Date.

3. Definition of "Compete". For the purposes of this Agreement, the term "compete" shall mean: (i) actively engaging, supervising or managing any business substantially similar to the Business, or (ii) entering into or attempting to enter into any business substantially similar to the Business, either alone or with any individual, partnership, corporation or association; provided, however, nothing herein shall prohibit Seller from providing services to Foss or its affiliates.

4. Indirect Competition. For the purposes of this Agreement, the term "indirectly" as it modifies the term "compete" shall mean (i) acting as an agent, representative, consultant, employee or independent contractor, of any entity or enterprise which is competing (as defined in Section 3 hereof), (ii) participating in any such competing entity or enterprise as an owner, partner, limited partner, joint venturer, creditor or stockholder (except as a stockholder holding less than one percent (1%) interest in a corporation whose shares are actively traded on a regional or national securities exchange or in the over-the-counter market).

5. Nonsolicitation of Employees and Customers. For a period of three (3) years commencing on the Closing Date, Seller shall not, and agrees that his Affiliates shall not, solicit for hire any person who, after the Closing, is employed by the Company or the Business. Seller further agrees that, for a period of three (3) years commencing on the Closing Date, he and his Affiliates will not anywhere in the Territory solicit any business from any existing or prior customers of the Company or the Business, which business is substantially similar to or related to the Business.

6. Equitable Relief. Seller acknowledges that his expertise in the Business described herein is of a special, unique, unusual, and extraordinary character which gives said expertise a peculiar value, that a breach by him of the provisions of this Agreement cannot reasonably or adequately be compensated in damages in an action at law; and that a breach by him of any of the provisions contained in this Agreement will cause the Buyer irreparable injury and damage. Seller further acknowledges that he possesses unique skills, knowledge and ability and that competition by him or his Affiliates in violation of this Agreement would be extremely detrimental to Buyer. By reason thereof, he agrees that the Buyer shall be entitled, in addition to any other remedies it may have, to preliminary and permanent injunctive and other equitable relief to prevent or curtail any breach of this Agreement; provided, however, that no specification in this Agreement of a specific legal or equitable remedy shall be construed as a waiver or prohibition against the pursuing of other legal or equitable remedies in the event of such a breach.

7. Extension. In the event of litigation to enforce this Agreement, and if it is determined by final court order that Seller has breached the Agreement, then the terms and conditions herein shall be extended for a period of time equal to the period of such breach, which extension shall commence on the later of (a) the date on which the original

(unextended) term of the Agreement is scheduled to terminate, or (b) the date of the final court order (without further right of appeal) enforcing the Agreement.

8. Consulting. For a period of three (3) years (the "Consulting Term") commencing on the Closing Date, Seller agrees to advise and consult with management of the Company in all matters reasonably requested of him and to devote such time and attention to such matters as appropriate. The consulting relationship under this Section 8 may be terminated by Buyer or the Company on 45 days notice. Termination will not affect the continuing enforceability of the remaining Sections of this Agreement or of any other agreement between Buyer, the Company (or their affiliates) and Seller, including without limitation, the Acquisition Agreement dated _____, 1993. The Company will provide for the payment of, or reimburse Seller for, travel and other out-of-pocket expenses reasonably incurred by him in connection with his services during the Consulting Term, and properly accounted for all in accordance with the then applicable policies of the Company. Seller shall be an independent contractor and shall not be entitled to participate in any employee benefit programs of the Company. The inability of Seller to perform services hereunder by reason of illness, disability or death shall not constitute a breach or violation hereof, nor shall it entitle Company or Buyer to any refund, credit or deduction of or from the payment by Buyer to Seller hereunder.

9. Attorneys' Fees. The prevailing party in any suit, action or proceeding brought hereunder shall be awarded its attorneys' fees and costs.

10. Severability. While Seller acknowledges that the restrictions contained herein are reasonable, in the event that any provision of this Agreement or any word, phrase, clause, sentence or other portion thereof (including, without limitation, the geographical and temporal restrictions contained herein) should be held to be unenforceable or invalid for any reason, such provision or portion thereof shall be modified or deleted in such a manner so as to make this Agreement as modified legal and enforceable to the fullest extent permitted under applicable laws.

11. Successors and Assigns. The covenants, terms and provisions set forth herein shall inure to the benefit of and be enforceable by the Buyer, its successors, assigns and successors in interest, including, without limitation, any corporation with which the Buyer may be merged or by which it may be acquired, and the Seller and their successors, assigns and successors in interest, and shall be binding upon successors, assigns and successors in interest of the parties hereto. This Agreement is not assignable in whole or in part by Seller.

12. Integrated Agreement. This Agreement constitutes the entire Agreement between the parties hereto with regard to the subject matter hereof, and there are no agreements, understandings, restrictions, warranties or representations relating to said subject matter between the parties other than those set forth herein or herein provided for. Neither this Agreement nor any provision hereof may be waived, discharged or terminated, except by an agreement in writing signed by the party against whom or which the enforcement of such waiver, discharge or termination is sought.

13. Counterparts. This Agreement may be executed in one or more counterparts, each of which will take effect as an original and all of which shall evidence one and the same agreement.

14. Governing Law. The terms of this Agreement shall be governed by and construed in accordance with the laws of the State of Washington. Seller hereby submits to the jurisdiction of the courts of the State of Washington in King County and the United States District Court for the Western District of Washington to resolve controversies arising under or in conjunction with this Agreement and consents to service of process by certified mail, return receipt requested, addressed in accordance with Paragraph 18 below.

15. Amendment and Modification. This Agreement may only be amended or modified by the mutual agreement of the parties in writing.

16. Captions. The captions contained in this Agreement are included only for convenience of reference and do not define, limit, explain or modify this Agreement or its interpretation, construction or meaning.

17. No Waiver. No change, termination or attempted waiver of any of the provisions of this Agreement shall be binding upon the Buyer or Seller unless in writing and signed by the party to be charged.

18. Notices. Any notice, request, demand, waiver, consent approval or other communication which is required or permitted hereunder shall be in writing and shall be deemed given only if delivered personally or sent by overnight courier or by registered or certified mail, postage prepaid, as follows:

If to Seller:

and to:

If to Buyer:

and to:

or to such other address as the addressee may have specified in a notice duly given to the sender as provided herein. Such notice, request, demand, waiver, consent, approval or other communication will be deemed to have been given as of the date so delivered, telegraphed or mailed.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

FOSS MARITIME COMPANY

SELLER

By: _____
Its _____

REAL ESTATE ACQUISITION AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into this _____ day of _____, 1993, by and between Peter J. Brix ("Seller") and Brix Maritime Co. ("Buyer"), for the purchase and sale of certain real property located in Oregon as legally described on Exhibit A attached hereto, together with all improvements and rights appurtenant thereto (the "Property").

RECITALS

WHEREAS, Buyer uses certain real property owned by Seller in its operations;

WHEREAS, Seller has transferred his interest in Buyer to Foss Maritime Company ("Foss") pursuant to that certain Stock Purchase and Asset Agreement dated _____, 1993 (the "Acquisition Agreement");

WHEREAS, Seller has received the sum of [REDACTED] for acquisition of the Property hereunder;

WHEREAS, as a condition to closing under the Acquisition Agreement, Seller is to execute and deliver this Agreement.

NOW THEREFORE, in consideration of the premises and the mutual promises and covenants of the parties hereto and the payment of [REDACTED] to Seller, the Seller and Buyer agree as follows:

1. Purchase and Sale. Seller hereby sells the Property to Buyer, and Buyer purchases the Property from Seller, on the terms and conditions set forth herein. This purchase and sale is contingent on the closing of the Acquisition Agreement (the "Closing"). All risk of loss or damage to the Property prior to the Closing shall be and remain with Seller.

2. Purchase Price. The purchase price for the Property is \$ [REDACTED] (the "Purchase Price").

3. Terms of Payment. The Purchase Price is paid to Seller upon Closing of the Acquisition Agreement. Buyer shall be entitled to possession of the Property upon Closing.

4. Title. Seller has delivered to Buyer a preliminary title report on the Property. Seller shall convey the Property to Buyer, or to an assignee authorized hereunder, at the Closing by statutory warranty deed (the "Deed"), free and clear of all liens, encumbrances or other matters except those expressly identified by Buyer in Exhibit B ("Permitted Exceptions").

5. Seller's Representations, Warranties and Covenants. Seller represents, warrants to and covenants with Buyer that:

5.1 Authority. Seller, has full power and authority to execute this Agreement and perform Seller's obligations hereunder, and all necessary action to authorize this transaction has been taken. Seller is under no disability or impediment whatsoever to enter into this Agreement or to do any of the acts contemplated hereby.

5.2 No Assessments; Property Conditions. Except as described herein or in the Preliminary Title Report, previously delivered to Buyer, there are no currently due and payable assessments for public or private improvements against the Property. Further, Seller is not aware of any of the following: (a) any local improvement district or other taxing authority having jurisdiction over the Property in the process of formation; (b) any intended public improvement which may involve any charge being levied or assessed upon, or which may result in the creation of any lien against the Property; (c) any intended order, requirement, law or regulation which may adversely affect the use of the Property for Buyer's purposes; (d) any suit, action or claim, or legal, administrative, arbitration or other proceeding or governmental investigation pending or threatened against or affecting the Property; or (e) any zoning change underway covering the Property.

5.3 FIRPTA. Seller is not a "foreign person" for purposes of Section 1445 of the Internal Revenue Code. At Closing, Seller shall execute and deliver to the Escrow Agent an affidavit meeting the Foreign Investment in Real Property Tax Act ("FIRPTA") requirements of I.R.C. § 1445 and in form and substance reasonably acceptable to Buyer.

5.4 No Adverse Claimants. Seller has no knowledge of any claims, defects or boundary disputes affecting the Property, and no person other than Buyer claims any right to possession to the Property or any portion thereof adverse to Seller.

5.5 Deed. At the Closing, Seller shall deliver to Buyer a duly executed and acknowledged Deed conveying to Buyer fee simple title to the Property, subject only to the Permitted Exceptions.

5.6 Title Policy. At the Closing, Seller shall deliver to Buyer a Title Policy insuring that fee simple title to the Property is vested in Buyer as of the Closing subject only to the Permitted Exceptions.

5.7 No Changes in Access or Occupancy Rights. To the best of Seller's knowledge, there is no existing, proposed or contemplated plan to modify or realign any street or highway in the proximity of the Property or any existing, proposed or contemplated eminent domain proceeding that would result in the taking of all or any part of the Property or that would adversely affect the use of the Property for Buyer's purposes. There are no leases, subleases, tenancies, concessions, licenses, occupancy agreements or any other similar rights (collectively, "Occupancy Rights") pertaining to or affecting the use or occupancy of the Property which arose prior to Seller's ownership of the Property, and, except for the lease to Buyer, Seller has not caused or permitted any Occupancy Rights to arise as to the Property during Seller's ownership of the Property.

6. Conditions. The obligation to close this transaction is subject to and conditioned upon the closing of the transactions contemplated under the Acquisition Agreement.

7. Closing Costs. All closing costs and other sums incident to this closing and the transaction contemplated hereby shall be borne as follows:

7.1 Title Insurance. Seller shall pay that portion of the title insurance premium that would be payable for a standard coverage owner's policy of title insurance covering the Property (the "Standard Policy Premium") in the amount of the Purchase Price, and Buyer at its election and cost may obtain additional or extended coverage by paying the amount in excess of the Standard Policy Premium.

7.2 Other Fees and Costs. Seller shall pay any real estate excise taxes and transfer stamps. Buyer shall pay the cost of recording the Deed. All other fees and costs (if any) shall be paid one-half (1/2) by Seller and one-half (1/2) by Buyer.

8. Notices. All notices, waivers, elections, approvals and demands required or permitted to be given hereunder shall be in writing and shall be personally delivered or sent by United States certified mail, return receipt requested, to the addressee's mailing address set forth below. Either party by proper notice to the other may designate any other address for the giving of notice. Any notice shall be effective when personally delivered or, if mailed as provided herein, on the earlier of actual receipt or three (3) days after the date deposited in the mail.

9. Assignment. Buyer may assign its interest hereunder to a partnership, corporation or other entity of which it maintains a 20% ownership interest or to parent corporation, in whole or in part, without the consent of Seller, but otherwise shall be entitled to assign its rights under this Agreement only upon Seller's consent, which shall not be unreasonably withheld.

10. General. This is the entire agreement of Buyer and Seller with respect to the matters covered hereby and supersedes any prior written or oral agreements between them related thereto including existing leases. This Agreement may be modified only in writing signed by Buyer and Seller. Any waivers and satisfaction of contingencies hereunder must be in writing. No waiver of any right or remedy in the event of default hereunder shall constitute a waiver of such right or remedy in the event of any subsequent default. This Agreement shall be governed by the laws of the State of Oregon. This Agreement is for the benefit only of the parties hereto and shall inure to the benefit of and bind the heirs, personal representatives, successors and assigns of the parties hereto. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision hereof. Headings at the beginning of any numbered paragraph of this Agreement are solely for the convenience of the parties and are not a part of this Agreement. Unless otherwise specified, all references to time periods of "days" shall mean calendar days, and any date requiring action of any party which falls on a weekend or legal holiday automatically shall be extended to the next working day.

11. Survival of Warranties. Representations of title in the Deed shall survive Closing.

12. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

13. Further Documents. Each of the parties agrees to execute such further documents, and do such further acts, as may be necessary or proper in order to effectuate the intentions and the undertakings of the parties expressed in this Agreement.

14. Exhibits. All Exhibits attached hereto are made a part hereof.

THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS, WHICH, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND EXISTENCE OF FIRE PROTECTION FOR STRUCTURES.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES.

BUYER:

By _____

Its _____

Address:

SELLER: _____

Address: _____

Exhibits

Exhibit A - Legal Description of the Property

Exhibit B - Permitted Encumbrances

STATE OF OREGON)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 1993 by PETER J. BRIX.

Signature

Title

My commission expires: _____

**VESSEL AND EQUIPMENT ACQUISITION
AGREEMENT**

Among

**BRIX MARITIME CO.,
("Purchaser")**

and

**HAYDEN INVESTORS
("Seller")**

VESSEL AND EQUIPMENT ACQUISITION AGREEMENT

Agreement made as of _____, 1993 by and among Brix Maritime Co., a Delaware corporation ("Purchaser"), and Hayden Investors ("Seller").

RECITALS

WHEREAS, the Purchaser and its related companies use certain equipment owned by Seller in his operations;

WHEREAS, as a condition to closing of a Stock and Asset Purchase Agreement dated _____, 1993 (the "Acquisition Agreement") involving the acquisition of the stock of Purchaser by Foss Maritime Company, Seller is to execute and deliver this Asset Purchase Agreement;

WHEREAS, Foss Maritime Company has delivered to Seller the sum of [REDACTED] to acquire the assets identified herein.

NOW, THEREFORE, in consideration of the premises and mutual promises and covenants of the parties hereto and the payment of [REDACTED] to Seller, Seller and Purchaser agree as follows:

ARTICLE 1

ACQUISITION AND DISPOSITION OF ASSETS

1.1 Assets. Seller hereby sells, conveys, transfers, assigns, and delivers to Purchaser, free and clear of all liens, claims, charges and encumbrances, the vessels and equipment used in the Business (as defined in the Acquisition Agreement) as follows:

(a) Tug FALCON (and all its supplies, fuel, spares, equipment, gear, inventory and furnishings at the time of signing of the Acquisition Agreement); and

The assets to be disposed of by Seller and to be acquired by Purchaser in accordance with this Agreement are hereinafter collectively referred to as the "Assets." This purchase and sale is contingent upon closing of the Acquisition Agreement.

1.2 Purchase Price. The aggregate purchase price for the Assets is \$ [REDACTED] and shall be paid to Seller upon the closing of the Acquisition Agreement (the "Closing"). Seller shall direct Purchaser to pay such portion of the purchase price to _____ as shall be necessary to release any security interest of such bank in the Assets.

1.3 Means of Conveyance. The sale, conveyance, transfer, assignment and delivery to Purchaser of the Assets, as herein provided, shall be effected by deeds, bills of

sale, endorsements, assignments and other instruments of transfer and conveyance in proper form to vest in Purchaser the right, title and interest of Seller in and to the Assets. Seller will deliver to Purchaser classification and inspection certificates (for hull and engines) for all vessels, together with U.S. Coast Guard Form 1330 certificates of ownership, delivered within 15 days of Closing, stating all vessels are free from encumbrances. Seller agrees that it will, at any time or from time to time after the Closing, upon request, perform or cause to be performed such acts, and execute, acknowledge and deliver or cause to be executed, acknowledged and delivered such documents, as may be reasonably required to effectuate the sale, conveyance, transfer, assignment and delivery to Purchaser of any of the Assets or for the performance by Seller of any of its obligations hereunder.

1.4 Access; Risk of Loss. Seller has made the Assets available for inspection and provided access to the records relating thereto prior to the Closing. All risk of loss of or damage to the Assets prior to the Closing shall be and remain with Seller.

1.5 Sales Taxes. Seller shall pay any state sales taxes which may be imposed upon or payable in respect of the transfer of the Assets to Purchaser hereunder.

1.6 Place of Delivery. _____.

ARTICLE 2

REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of Seller.

Seller represents and warrants to Purchaser and agrees as follows with regard to the Assets:

2.1.1 Seller. Seller has full right, power and capacity to execute and deliver this Agreement and to consummate the transactions contemplated hereby. All authorizations and approvals necessary in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby by Seller have been obtained. This Agreement is a valid and binding obligation of Seller enforceable in accordance with its terms, except as performance may be limited by bankruptcy, insolvency, moratorium, or other similar laws in effect from time to time affecting creditors' rights generally or by the principles governing the availability of equitable remedies. Neither execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby with or without the lapse of time or the giving of notice or both, will, to best knowledge of Seller: (i) result in the termination of or any breach of any of the terms or provisions of, result in the acceleration of the performance required by, or constitute a default under, any will, deed of trust, trust, employee benefit plan, indenture, mortgage, charter, by-law, contract, lease, agreement or other instrument, or any judgment, decree or order of any federal, state, local or foreign court, regulatory or other governmental body to which Seller is a party or by which Seller or any of its respective assets may be bound or (ii) violate any statute, rule or regulation applicable to Seller.

ARTICLE 3

MISCELLANEOUS

3.1 Further Assurances. Seller shall, at any time and from time to time after the Closing, upon request of Purchaser, do, execute, acknowledge and deliver and cause to be done, executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and instruments, whether by or from Seller or third parties, as may reasonably be requested in order to convey and transfer to and vest in Purchaser, and protect its right, title and interest in and enjoyment of the Assets.

3.2 Notices. All documents, notices, requests, demands and other communications that are required or permitted to be delivered or given under this Agreement shall be in writing and shall be deemed to have been duly delivered or given upon the delivery or mailing thereof, as the case may be, if delivered personally or three business days after mailing by registered or certified mail, return receipt requested, postage prepaid (or the closest local equivalent):

3.2.1 if to Purchaser, to:

with a copy to:

3.2.2 and if to Seller:

Attention: _____

with a copy to:

or to such other person or address as a party hereto shall specify hereunder.

3.3 Entire Agreement. This Agreement constitutes the entire agreement and understanding of the parties with respect to the transactions contemplated hereby, supersedes any and all prior agreements and understandings relating to the subject matter hereof including existing charters and may not be modified, amended or terminated except in writing signed by all the parties hereto.

3.4 Assignment. This Agreement may be assigned or transferred in whole or in part to Foss Maritime Company or a wholly-owned subsidiary of Foss Maritime Company.

3.5 Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with the laws of the State of Oregon.

IN WITNESS WHEREOF, each of the parties hereto has duly executed this Agreement as of the date first above written.

SELLER

BRIX MARITIME CO.

By _____
Its _____

**VESSEL AND EQUIPMENT ACQUISITION
AGREEMENT**

Among

**BRIX MARITIME CO.,
("Purchaser")**

and

**KNAPPTON LEASING
("Seller")**

VESSEL AND EQUIPMENT ACQUISITION AGREEMENT

Agreement made as of _____, 1993 by and among Brix Maritime Co., a Delaware corporation ("Purchaser"), and Knappton Leasing ("Seller").

RECITALS

WHEREAS, the Purchaser and its related companies use certain equipment owned by Seller in his operations;

WHEREAS, as a condition to closing of a Stock and Asset Purchase Agreement dated _____, 1993 (the "Acquisition Agreement") involving the acquisition of the stock of Purchaser by Foss Maritime Company, Seller is to execute and deliver this Asset Purchase Agreement;

WHEREAS, Foss Maritime Company has delivered to Seller the sum of \$ _____ to acquire the assets identified herein.

NOW, THEREFORE, in consideration of the premises and mutual promises and covenants of the parties hereto and the payment of \$ _____ to Seller, Seller and Purchaser agree as follows:

ARTICLE 1

ACQUISITION AND DISPOSITION OF ASSETS

1.1 Assets. Seller hereby sells, conveys, transfers, assigns, and delivers to Purchaser, free and clear of all liens, claims, charges and encumbrances, the vessels and equipment used in the Business (as defined in the Acquisition Agreement) as follows:

Grain barge 470 (and all its equipment, supplies, fuel, spare parts, gear, inventory and furnishings at the time of the signing of the Acquisition Agreement).

The assets to be disposed of by Seller and to be acquired by Purchaser in accordance with this Agreement are hereinafter collectively referred to as the "Assets." This purchase and sale is contingent upon closing of the Acquisition Agreement.

1.2 Purchase Price. The aggregate purchase price for the Assets is \$ _____ and shall be paid to Seller upon the closing of the Acquisition Agreement (the "Closing"). Seller shall direct Purchaser to pay such portion of the purchase price to _____ as shall be necessary to release any security interest of such bank in the Assets.

1.3 Means of Conveyance. The sale, conveyance, transfer, assignment and delivery to Purchaser of the Assets, as herein provided, shall be effected by deeds, bills of

sale, endorsements, assignments and other instruments of transfer and conveyance in proper form to vest in Purchaser the right, title and interest of Seller in and to the Assets. Seller agrees that it will, at any time or from time to time after the Closing, upon request, perform or cause to be performed such acts, and execute, acknowledge and deliver or cause to be executed, acknowledged and delivered such documents, as may be reasonably required to effectuate the sale, conveyance, transfer, assignment and delivery to Purchaser of any of the Assets or for the performance by Seller of any of its obligations hereunder.

1.4 Access; Risk of Loss. Seller has made the Assets available for inspection and provided access to the records relating thereto prior to the Closing. All risk of loss of or damage to the Assets prior to the Closing shall be and remain with Seller.

1.5 Sales Taxes. Seller shall pay any state sales taxes which may be imposed upon or payable in respect of the transfer of the Assets to Purchaser hereunder.

1.6 Place of Delivery. Portland, Oregon.

ARTICLE 2

REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of Seller.

Seller represents and warrants to Purchaser and agrees as follows with regard to the Assets:

2.1.1 Seller. Seller has full right, power and capacity to execute and deliver this Agreement and to consummate the transactions contemplated hereby. All authorizations and approvals necessary in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby by Seller have been obtained. This Agreement is a valid and binding obligation of Seller enforceable in accordance with its terms, except as performance may be limited by bankruptcy, insolvency, moratorium, or other similar laws in effect from time to time affecting creditors' rights generally or by the principles governing the availability of equitable remedies. Neither execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby with or without the lapse of time or the giving of notice or both, will, to best knowledge of Seller: (i) result in the termination of or any breach of any of the terms or provisions of, result in the acceleration of the performance required by, or constitute a default under, any will, deed of trust, trust, employee benefit plan, indenture, mortgage, charter, by-law, contract, lease, agreement or other instrument, or any judgment, decree or order of any federal, state, local or foreign court, regulatory or other governmental body to which Seller is a party or by which Seller or any of its respective assets may be bound or (ii) violate any statute, rule or regulation applicable to Seller.

ARTICLE 3

MISCELLANEOUS

3.1 Further Assurances. Seller shall, at any time and from time to time after the Closing, upon request of Purchaser, do, execute, acknowledge and deliver and cause to be done, executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and instruments, whether by or from Seller or third parties, as may reasonably be requested in order to convey and transfer to and vest in Purchaser, and protect its right, title and interest in and enjoyment of the Assets.

3.2 Notices. All documents, notices, requests, demands and other communications that are required or permitted to be delivered or given under this Agreement shall be in writing and shall be deemed to have been duly delivered or given upon the delivery or mailing thereof, as the case may be, if delivered personally or three business days after mailing by registered or certified mail, return receipt requested, postage prepaid (or the closest local equivalent):

3.2.1 if to Purchaser, to:

with a copy to:

3.2.2 and if to Seller:

c/o Peter J. Brix

Attention: _____

with a copy to:

JRM
Schwabe Williamson & Wyatt
1211 S.W. 5th, Suite 1800
Portland, OR 97204

or to such other person or address as a party hereto shall specify hereunder.

3.3 Entire Agreement. This Agreement constitutes the entire agreement and understanding of the parties with respect to the transactions contemplated hereby, supersedes any and all prior agreements and understandings relating to the subject matter hereof including existing charters and may not be modified, amended or terminated except in writing signed by all the parties hereto.

3.4 Assignment. This Agreement may be assigned or transferred in whole or in part to Foss Maritime Company or a wholly-owned subsidiary of Foss Maritime Company.

3.5 Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with the laws of the State of Oregon.

IN WITNESS WHEREOF, each of the parties hereto has duly executed this Agreement as of the date first above written.

KNAPPTON LEASING

by _____
Partner

BRIX MARITIME CO.

By _____
Its _____

VESSEL AND EQUIPMENT ACQUISITION
AGREEMENT

Among

BRIX MARITIME CO.,
("Purchaser")

and

ENTERPRISE PARTNERS
("Seller")

VESSEL AND EQUIPMENT ACQUISITION AGREEMENT

Agreement made as of _____, 1993 by and among Brix Maritime Co., a Delaware corporation ("Purchaser"), and Enterprise Partners ("Seller").

RECITALS

WHEREAS, the Purchaser and its related companies use certain equipment owned by Seller in his operations;

WHEREAS, as a condition to closing of a Stock and Asset Purchase Agreement dated _____, 1993 (the "Acquisition Agreement") involving the acquisition of the stock of Purchaser by Foss Maritime Company, Seller is to execute and deliver this Asset Purchase Agreement;

WHEREAS, Foss Maritime Company has delivered to Seller the sum of \$ [REDACTED] to acquire the assets identified herein.

NOW, THEREFORE, in consideration of the premises and mutual promises and covenants of the parties hereto and the payment of [REDACTED] to Seller, Seller and Purchaser agree as follows:

ARTICLE 1

ACQUISITION AND DISPOSITION OF ASSETS

1.1 Assets. Seller hereby sells, conveys, transfers, assigns, and delivers to Purchaser, free and clear of all liens, claims, charges and encumbrances, the vessels and equipment used in the Business (as defined in the Acquisition Agreement) as follows:

Tug HOWARD OLSEN (and all its supplies, fuel, spares, inventory, equipment, gear and furnishings at the time of signing of the Acquisition Agreement).

The assets to be disposed of by Seller and to be acquired by Purchaser in accordance with this Agreement are hereinafter collectively referred to as the "Assets." This purchase and sale is contingent upon closing of the Acquisition Agreement.

1.2 Purchase Price. The aggregate purchase price for the Assets is [REDACTED] and shall be paid to Seller upon the closing of the Acquisition Agreement (the "Closing"). Seller shall direct Purchaser to pay such portion of the purchase price to _____ as shall be necessary to release any security interest of such bank in the Assets.

1.3 Means of Conveyance. The sale, conveyance, transfer, assignment and delivery to Purchaser of the Assets, as herein provided, shall be effected by deeds, bills of

sale, endorsements, assignments and other instruments of transfer and conveyance in proper form to vest in Purchaser the right, title and interest of Seller in and to the Assets. Seller will deliver to Purchaser classification and inspection certificates (for hull and engines) for all vessels, together with U.S. Coast Guard Form 1330 certificates of ownership, delivered within 15 days of Closing, stating all vessels are free from encumbrances. Seller agrees that it will, at any time or from time to time after the Closing, upon request, perform or cause to be performed such acts, and execute, acknowledge and deliver or cause to be executed, acknowledged and delivered such documents, as may be reasonably required to effectuate the sale, conveyance, transfer, assignment and delivery to Purchaser of any of the Assets or for the performance by Seller of any of its obligations hereunder.

1.4 Access; Risk of Loss. Seller has made the Assets available for inspection and provided access to the records relating thereto prior to the Closing. All risk of loss of or damage to the Assets prior to the Closing shall be and remain with Seller.

1.5 Sales Taxes. Seller shall pay any state sales taxes which may be imposed upon or payable in respect of the transfer of the Assets to Purchaser hereunder.

1.6 Place of Delivery. _____.

ARTICLE 2

REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of Seller.

Seller represents and warrants to Purchaser and agrees as follows with regard to the Assets:

Seller has full right, power and capacity to execute and deliver this Agreement and to consummate the transactions contemplated hereby. All authorizations and approvals necessary in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby by Seller have been obtained. This Agreement is a valid and binding obligation of Seller enforceable in accordance with its terms, except as performance may be limited by bankruptcy, insolvency, moratorium, or other similar laws in effect from time to time affecting creditors' rights generally or by the principles governing the availability of equitable remedies. Neither execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby with or without the lapse of time or the giving of notice or both, will, to best knowledge of Seller: (i) result in the termination of or any breach of any of the terms or provisions of, result in the acceleration of the performance required by, or constitute a default under, any will, deed of trust, trust, employee benefit plan, indenture, mortgage, charter, by-law, contract, lease, agreement or other instrument, or any judgment, decree or order of any federal, state, local or foreign court, regulatory or other governmental body to which Seller is a party or by which Seller or any of its respective assets may be bound or (ii) violate any statute, rule or regulation applicable to Seller.

ARTICLE 3

MISCELLANEOUS

3.1 Further Assurances. Seller shall, at any time and from time to time after the Closing, upon request of Purchaser, do, execute, acknowledge and deliver and cause to be done, executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and instruments, whether by or from Seller or third parties, as may reasonably be requested in order to convey and transfer to and vest in Purchaser, and protect its right, title and interest in and enjoyment of the Assets.

3.2 Notices. All documents, notices, requests, demands and other communications that are required or permitted to be delivered or given under this Agreement shall be in writing and shall be deemed to have been duly delivered or given upon the delivery or mailing thereof, as the case may be, if delivered personally or three business days after mailing by registered or certified mail, return receipt requested, postage prepaid (or the closest local equivalent):

3.2.1 if to Purchaser, to:

with a copy to:

3.2.2 and if to Seller:

Attention: _____

with a copy to:

or to such other person or address as a party hereto shall specify hereunder.

3.3 Entire Agreement. This Agreement constitutes the entire agreement and understanding of the parties with respect to the transactions contemplated hereby, supersedes any and all prior agreements and understandings relating to the subject matter hereof including existing charters and may not be modified, amended or terminated except in writing signed by all the parties hereto.

3.4 Assignment. This Agreement may be assigned or transferred in whole or in part to Foss Maritime Company or a wholly-owned subsidiary of Foss Maritime Company.

3.5 Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with the laws of the State of Oregon.

IN WITNESS WHEREOF, each of the parties hereto has duly executed this Agreement as of the date first above written.

SELLER

BRIX MARITIME CO.

By _____
Its _____

VESSEL AND EQUIPMENT ACQUISITION
AGREEMENT

Among

BRIX MARITIME CO.,
("Purchaser")

and

TRI OCEAN CHARTERS, INC.

("Seller")

VESSEL AND EQUIPMENT ACQUISITION AGREEMENT

Agreement made as of _____, 1993 by and among Brix Maritime Co., a Delaware corporation ("Purchaser"), and Tri Ocean Charters, Inc. ("Seller").

RECITALS

WHEREAS, the Purchaser and its related companies use certain equipment owned by Seller in his operations;

WHEREAS, as a condition to closing of a Stock and Asset Purchase Agreement dated _____, 1993 (the "Acquisition Agreement") involving the acquisition of the stock of Purchaser by Foss Maritime Company, Seller is to execute and deliver this Asset Purchase Agreement;

WHEREAS, Foss Maritime Company has delivered to Seller the sum of [REDACTED] to acquire the assets identified herein.

NOW, THEREFORE, in consideration of the premises and mutual promises and covenants of the parties hereto and the payment of [REDACTED] to Seller, Seller and Purchaser agree as follows:

ARTICLE 1

ACQUISITION AND DISPOSITION OF ASSETS

1.1 Assets. Seller hereby sells, conveys, transfers, assigns, and delivers to Purchaser, free and clear of all liens, claims, charges and encumbrances, the vessels and equipment used in the Business (as defined in the Acquisition Agreement) as follows:

Tug OCEAN WARRIOR (and all its supplies, fuel, spares, inventory, equipment, gear and furnishings at the time of signing of the Acquisition Agreement).

The assets to be disposed of by Seller and to be acquired by Purchaser in accordance with this Agreement are hereinafter collectively referred to as the "Assets." This purchase and sale is contingent upon closing of the Acquisition Agreement.

1.2 Purchase Price. The aggregate purchase price for the Assets is [REDACTED] and shall be paid to Seller upon the closing of the Acquisition Agreement (the "Closing"). Seller shall direct Purchaser to pay such portion of the purchase price to _____ as shall be necessary to release any security interest of such bank in the Assets.

1.3 Means of Conveyance. The sale, conveyance, transfer, assignment and delivery to Purchaser of the Assets, as herein provided, shall be effected by deeds, bills of

sale, endorsements, assignments and other instruments of transfer and conveyance in proper form to vest in Purchaser the right, title and interest of Seller in and to the Assets. Seller will deliver to Purchaser classification and inspection certificates (for hull and engines) for all vessels, together with U.S. Coast Guard Form 1330 certificates of ownership, delivered within 15 days of Closing, stating all vessels are free from encumbrances. Seller agrees that it will, at any time or from time to time after the Closing, upon request, perform or cause to be performed such acts, and execute, acknowledge and deliver or cause to be executed, acknowledged and delivered such documents, as may be reasonably required to effectuate the sale, conveyance, transfer, assignment and delivery to Purchaser of any of the Assets or for the performance by Seller of any of its obligations hereunder.

1.4 Access; Risk of Loss. Seller has made the Assets available for inspection and provided access to the records relating thereto prior to the Closing. All risk of loss of or damage to the Assets prior to the Closing shall be and remain with Seller.

1.5 Sales Taxes. Seller shall pay any state sales taxes which may be imposed upon or payable in respect of the transfer of the Assets to Purchaser hereunder.

1.6 Place of Delivery. _____.

ARTICLE 2

REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of Seller.

Seller represents and warrants to Purchaser and agrees as follows with regard to the Assets:

Seller has full right, power and capacity to execute and deliver this Agreement and to consummate the transactions contemplated hereby. All authorizations and approvals necessary in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby by Seller have been obtained. This Agreement is a valid and binding obligation of Seller enforceable in accordance with its terms, except as performance may be limited by bankruptcy, insolvency, moratorium, or other similar laws in effect from time to time affecting creditors' rights generally or by the principles governing the availability of equitable remedies. Neither execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby with or without the lapse of time or the giving of notice or both, will, to best knowledge of Seller: (i) result in the termination of or any breach of any of the terms or provisions of, result in the acceleration of the performance required by, or constitute a default under, any will, deed of trust, trust, employee benefit plan, indenture, mortgage, charter, by-law, contract, lease, agreement or other instrument, or any judgment, decree or order of any federal, state, local or foreign court, regulatory or other governmental body to which Seller is a party or by which Seller or any of its respective assets may be bound or (ii) violate any statute, rule or regulation applicable to Seller.

ARTICLE 3

MISCELLANEOUS

3.1 Further Assurances. Seller shall, at any time and from time to time after the Closing, upon request of Purchaser, do, execute, acknowledge and deliver and cause to be done, executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and instruments, whether by or from Seller or third parties, as may reasonably be requested in order to convey and transfer to and vest in Purchaser, and protect its right, title and interest in and enjoyment of the Assets.

3.2 Notices. All documents, notices, requests, demands and other communications that are required or permitted to be delivered or given under this Agreement shall be in writing and shall be deemed to have been duly delivered or given upon the delivery or mailing thereof, as the case may be, if delivered personally or three business days after mailing by registered or certified mail, return receipt requested, postage prepaid (or the closest local equivalent):

3.2.1 if to Purchaser, to:

with a copy to:

3.2.2 and if to Seller:

Attention: _____

with a copy to:

or to such other person or address as a party hereto shall specify hereunder.

3.3 Entire Agreement. This Agreement constitutes the entire agreement and understanding of the parties with respect to the transactions contemplated hereby, supersedes any and all prior agreements and understandings relating to the subject matter hereof including existing charters and may not be modified, amended or terminated except in writing signed by all the parties hereto.

3.4 Assignment. This Agreement may be assigned or transferred in whole or in part to Foss Maritime Company or a wholly-owned subsidiary of Foss Maritime Company.

3.5 Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with the laws of the State of Oregon.

IN WITNESS WHEREOF, each of the parties hereto has duly executed this Agreement as of the date first above written.

SELLER

BRIX MARITIME CO.

By _____
Its _____

**PURCHASE OPTION AND
RIGHT OF FIRST REFUSAL
LONGVIEW BOOMING COMPANY, INC.**

RECITALS

WHEREAS, by Stock and Asset Purchase Agreement dated _____, 1993 ("Acquisition Agreement"), Foss Maritime Company ("Foss") is to acquire all of the issued and outstanding stock of Brix Maritime Co.;

WHEREAS, Longview Booming Company (the "Company") is 50% owned by St. John's Group, Inc. ("St. John's"), whose shareholders include certain Sellers under the Acquisition Agreement, and the Company is engaged in the business of _____;

WHEREAS as a condition to closing of the Acquisition Agreement, Sellers (as defined in the Acquisition Agreement) are to deliver an executed agreement granting Foss a purchase option and right of first refusal to acquire the stock held by St. John's in the Company;

NOW, THEREFORE, in consideration of the premises and the terms and conditions hereof, the parties agree as follows:

Each of the undersigned hereby grants to Foss a purchase option and right of first refusal to acquire their stock in the Company (the "Stock"), as follows:

1. Representations and Warranties.

1.1 St. John's represents and warrants that it is the owner of 50% of the issued and outstanding stock of the Company free and clear of any lien, encumbrance or rights (except as contemplated herein) and that it has the right, power and authority to enter into this Agreement which is a valid and binding obligation enforceable against it in accordance with its terms.

1.2 The Company is a corporation duly organized and validly existing and in good standing under the laws of the State of Washington, and has the corporate power and authority to carry on its business as it is now conducted and to own, lease and operate its properties.

1.3 The foregoing representations and warranties are made on the date hereof and as of the exercise date of the purchase option or right of first refusal by Foss and shall survive for 18 months thereafter.

2. Purchase Option. Conditioned upon Closing of the Acquisition Agreement ("Closing"), St. John's grants Foss an option to purchase all of its stock in the Company, for a purchase price of \$ [REDACTED] payable upon Closing (conditioned upon delivery to Foss of

50% of the issued and outstanding stock of the Company). If this purchase option is not exercised by Foss at the Closing, then the option shall expire; however, all remaining paragraphs of this Agreement shall remain in effect as provided herein.

3. Right of First Refusal. After the Closing, upon receipt of any offer which St. John's is willing to accept for purchase of any or all of the Stock, or involving the transfer or conveyance of the Stock to a partnership, person, corporation or entity other than Foss (including transfers to shareholders of St. John's) St. John's shall deliver to Foss a copy of such offer ("Offer"). To exercise its right of first refusal, Foss must give notice to St. John's within 30 days after Foss receives the copy of the Offer. The Company and St. John's agree to afford Foss reasonable access to the Company properties and records during this 30-day period. If Foss fails to exercise its right of first refusal within the 30-day period, St. John's shall be free to sell the Stock to the offeror specified in the Offer on the same terms and conditions contained in the Offer. If the sale is not consummated with the offeror as aforesaid within 120 days from the date of the receipt of the Offer by Foss, the right to sell the Stock shall expire and any future transfers shall remain subject to the terms hereof. These provisions shall continue to apply to all Stock remaining in St. John's ownership. If the Offer involves terms and conditions which may be reasonably met only by a third party, then St. John's shall accept from Foss substantially equivalent performance of the terms and conditions of any Offer. If an exchange or assignment of security of property owned by a third party is involved in the Offer, then substantially equivalent performance by Foss shall mean the exchange or assignment of security of property by Foss of comparable value and character. In the event additional shares of Stock are issued to St. John's, such shares shall be subject to this Agreement. Each certificate representing shares of Stock shall bear a legend referring to the restrictions herein.

4. Restrictions. Except as expressly provided in Paragraph 3 above, St. John's agrees that conditioned upon the Closing, it shall not sell, transfer or otherwise dispose, directly or indirectly, voluntarily or involuntarily, of any of the Stock owned by it in any transaction or series of transactions, provided, however, that St. John's may transfer its stock to Peter J. Brix and Robert J. DeArmond subject to the purchase option in Paragraph 2 above and the right of first refusal in Paragraph 3 above and Brix and DeArmond may make subsequent transfers by gift for no consideration to their respective spouses or descendants or to a trust for their benefit or by devise or inheritance to such beneficiaries without compliance with Paragraphs 2 and 3 and may make transfers to each other without compliance with Paragraphs 2 and 3. Notwithstanding the foregoing, the Stock so transferred will remain subject to the restrictions of this Agreement and the transferees will be bound hereby. The Company agrees that it will not issue any Stock without complying with Paragraph 3 above.

5. Binding Effect; Assignment. This purchase option and right of first refusal shall be binding upon the Company and St. John's and its shareholders and permitted assigns. This purchase option and right of first refusal is assignable by Foss to a wholly-owned subsidiary or a parent corporation or its subsidiaries.

6. Expiration. The right of first refusal shall expire 10 years from the date hereof.

7. There is no shareholder agreement between or among any of the parties hereto.

8. St. John's and the Company agree to provide Foss access to information relating to the exercise of its rights and option hereunder. The parties agree not to disclose the terms of this Agreement or confidential and proprietary information provided by one to the other pursuant hereto; provided, however, this shall not prohibit disclosures required by law or under compulsory process of law or apply as to information in the public domain.

DATED this ____ day of _____, 1993.

LONGVIEW BOOMING CO., INC.

ST. JOHN'S GROUP, INC.

BAREBOAT CHARTER PARTY
AND
PURCHASE OPTIONS

THIS AGREEMENT made this _____ day of _____, 1993 by and between PETER J. BRIX, whose mailing address is _____ (hereinafter called "OWNER") and BRIX MARITIME COMPANY, whose principal place of business and mailing address is 9030 St. Helens Road, Portland, Oregon 97231, (hereinafter called "CHARTERER").

RECITALS

WHEREAS, OWNER has sold his interest in CHARTERER and certain related companies and assets pursuant to that certain Stock Purchase Agreement dated _____ day of _____, 1993, among, inter alia, OWNER, CHARTERER and Foss Maritime Company (the "Acquisition Agreement"); and

WHEREAS, as a condition to closing under the Acquisition Agreement, OWNER is to execute and deliver this Bareboat Charter Party and Purchase Option relating to OWNER's vessels which are used in the Business (as defined in the Acquisition Agreement);

NOW, THEREFORE, in consideration of the premises and mutual promises and the covenants of the parties hereto, OWNER and CHARTERER agree as follows:

ARTICLE 1. CHARTER OF VESSELS

1.1 OWNER agrees to bareboat charter and CHARTERER agrees to hire Vessels identified in Exhibit A ("Vessels").

1.2 It is expressly understood and agreed that this Charter Party is intended as a bareboat charter of said Vessels by OWNER to CHARTERER for the period of hire, and that CHARTERER, during such period, shall properly man, equip, and supply said Vessels, and shall have full, complete and exclusive possession, command, and control of it, and of its operation and navigation, and at all times the Vessels is under charter the CHARTERER shall have complete and exclusive direction, control and supervision of the master and crews, who shall for all purposes be exclusively within the employment of CHARTERER.

1.3 The use for which said Vessels is hereby bareboat chartered to CHARTERER and hired by it are specified in Exhibit A.

1.4 The CHARTERER covenants that the Vessels will at all times comply with all applicable treaties and covenants and rules and regulations issued thereunder, including particularly, but without limitation by this enumeration, the International Convention for Safety of Life at Sea, 1960, and all laws, rules and regulations administered by the United States Coast Guard, the Bureau of Customs, the Treasury Department, the Federal Communication Commission, the Public Health Service, the Department of Health and Human Services, the Federal Maritime Commission, or their successors, and shall have onboard as when required thereby, valid certificates showing compliance therewith.

The CHARTERER at his expense shall maintain throughout the Charter Period the documentation of the Vessels under the laws of the United States. CHARTERER will not cause the Vessels to be operated in any manner contrary to law or contrary to any rules and regulations which may from time-to-time be prescribed by law, will not remove or attempt to remove the Vessels beyond the limits of the United States save on voyages with the intention of returning to the United States, will not abandon the Vessels in a foreign port, will not engage in any unlawful trade or violate any law that will expose the Vessels to penalty, forfeiture or capture, will not permit the Vessels to be put, placed or operated under a foreign flag or documentation and will not do or suffer to permit anything to be done which can or may injuriously affect the registration or enrollment of the Vessels under the laws and regulations of the United States.

1.5 The Vessels shall be used only in and upon the waters identified in Exhibit A subject to any and all limitations, conditions or restrictions herein provided and/or contained in any policy, contract or certificate of insurance procured by CHARTERER in accordance with the provision of this agreement, where the Vessels can, at all times and under all conditions of tide and weather, safely lie afloat.

1.6 CHARTERER shall not carry nor permit to be carried in or upon the Vessels any cargo or substance, including narcotics or other controlled substances or paraphernalia, the possession or carriage of which may result in seizure of the Vessels by any governmental authority or other person, firm or corporation, nor any cargo or substance which, due to composition, size, shape, weight or combination thereof, constitutes an unreasonable hazard to the Vessels, their safe operation, or equipment under any circumstances attending CHARTERER's use or operation thereof.

ARTICLE 2. CHARTER HIRE

CHARTERER shall pay to OWNER, for the hire and use of said Vessels, the sum specified in Exhibit A for the term of this Charter. Charter hire shall be paid by CHARTERER to OWNER at the address in the preamble, unless otherwise directed in writing.

ARTICLE 3. CHARTER TERM

This charter shall be for an initial term of five (5) years commencing upon delivery and terminating upon redelivery.

ARTICLE 4. DELIVERY AND ACCEPTANCE

4.1 OWNER shall deliver afloat the Vessels to CHARTERER at delivery locations specified in Exhibit A on the Closing Date at which time CHARTERER shall have the opportunity to inspect and/or survey the Vessels before acceptance. This Charter is contingent upon closing under the Acquisition Agreement.

4.2 Acceptance of the Vessels, their appurtenances and her equipment by CHARTERER shall constitute the admission by CHARTERER of the full performance by OWNER of all its obligations under this agreement, and thereafter CHARTERER shall not be entitled to any claim whatsoever or howsoever caused against OWNER, or the Vessels, including, without limitation, claims on account of any latent defect or condition, any condition of fitness, or any representation or warranty, expressed or implied, with respect to the Vessels, their seaworthiness, their appurtenances, and their equipment.

4.3 Unless otherwise noted in a writing signed by OWNER and CHARTERER, CHARTERER accepts the Vessels, their appurtenances and their equipment, "AS IS."

ARTICLE 5. REDELIVERY

5.1 The Vessels shall be redelivered to OWNER afloat and moored in OWNER's designated berth at the delivery locations, in the same good order and condition, ordinary wear and tear excepted, as when accepted by CHARTERER.

5.2 CHARTERER shall be solely responsible for any costs to restore the Vessels to their same condition, ordinary wear and tear excepted, as at the time of delivery to CHARTERER.

5.3 Charter hire shall continue, and CHARTERER shall pay such hire, and redelivery shall not be made until the Vessels shall have been restored to the required good order and condition.

5.4 The Vessels shall be redelivered free of any liens or encumbrances, other than liens which may have been created or incurred by OWNER.

5.5 It is understood and agreed that these Vessels are normally operated and used by OWNER in the transportation service and loads and discharges cargo in sheltered ports and at fixed facilities. As such, its first class condition and appearance are essential to OWNER's continued ability to use the Vessels in the same service after the termination of this Charter Party. CHARTERER therefore agrees that the term "ordinary wear and tear" is to be narrowly construed. The marine surveyor conducting the "off-hire" survey required in Article 6 shall determine which repairs and refurbishings are necessary to return the Vessels to the same good order and condition as when received by CHARTERER and the marine surveyor will also determine what is "ordinary wear and tear" after taking into consideration the normal service of the Vessels by OWNER.

5.6 If the Vessels shall become an actual total loss or is accepted by underwriters to be a constructive total loss or confiscated under the terms of the insurance policies thereon, and provided CHARTERER shall have furnished to OWNER a full and complete statement in writing respecting all relevant facts and circumstances attending loss or confiscation and otherwise strictly complied with the provisions of this Charter Party in full, OWNER shall forthwith render proper notice of abandonment of the Vessels, at which time CHARTERER's obligation for payment of hire, thereafter to become due hereunder, shall terminate, and in lieu of CHARTERER's obligation for redelivery of the Vessels, there shall be substituted an unconditional obligation on the part of the CHARTERER to cause to be paid the whole of the insured value of the Vessels prescribed in Article 9 of this Charter Party.

ARTICLE 6. SURVEYS

6.1 An inspection and survey of the Vessels on an "on-hire" basis shall be made by a mutually agreed upon marine surveyor on or before the commencement of the charter term and prior to acceptance of delivery by the CHARTERER. An underwater bottom inspection shall be required as part of the on-hire survey with subsequent drydocking, if bottom damage is observed or suspected. A complete joint inventory of all equipment, supplies, spare parts, tools, etc. shall be prepared and agreed upon prior to acceptance of the Vessels.

6.2 An inspection and survey of the Vessels on an "off-hire" basis shall be made prior to redelivery by a mutually agreed upon marine surveyor. Drydocking shall be required as part of the off-hire survey.

6.3 If a drydocking is required as a result of the on-hire survey, OWNER and CHARTERER shall bear equally the costs of such drydocking. The costs of the drydocking required as a result of the off-hire survey shall be borne by CHARTERER. All other costs and expenses incurred in each of the inspections and surveys above shall be borne by CHARTERER.

ARTICLE 7. MAINTENANCE OF VESSEL

CHARTERER shall at all times, at its own expense and cost, maintain and repair the Vessels, together with their spare parts, tackle, apparel, furnishings and equipment, and other inventoried items, in the same condition and classification, state of cleanliness and repair, except for normal wear and tear, as when delivered to CHARTERER, (and have the Vessels repaired when necessary). CHARTERER shall at all times operate the Vessels in a careful and efficient manner, and shall satisfy all requirements of the applicable Classification Society to maintain the Vessels in their current class, and the requirements of all the other agencies having jurisdiction thereof. All repairs performed by CHARTERER shall be performed in good, workmanlike manner by qualified shipyards and personnel with first class materials. CHARTERER will make no structural additions or alterations to the Vessels without the prior written consent of the OWNER. OWNER shall have the right to inspect the Vessels at all reasonable times during the charter period. OWNER shall also have the right to inspect all deck, engine room, or other logs, of the Vessels or any other vessel towing the Vessels and to take information therefrom and to make transcripts or copies thereof. CHARTERER shall not have the authority to repaint the Vessels using a different color scheme other than the color scheme of the Vessels upon delivery unless CHARTERER repaints the Vessels to OWNER's color scheme prior to redelivery.

ARTICLE 8. LIENS AND CLAIMS

8.1 Neither CHARTERER, nor any of its officers, agents or employees, nor the master of the Vessels nor any other officer or member of the crew shall have any right, power, or authority to create, incur or permit to be imposed under the Vessels any liens whatsoever.

8.2 CHARTERER agrees to carry a properly certified copy of this agreement and the Mortgage with the Vessels' papers, and on demand to exhibit the same to any person having business with the Vessels which might give rise to any lien thereof.

8.3 CHARTERER agrees to notify any persons furnishing repairs, supplies, towage or other necessities to the Vessels, that neither CHARTERER nor the master has any right to incur, create or permit to be imposed upon the Vessels, any liens whatsoever. Such notice, as far as may be practicable, shall be in writing.

8.4 CHARTERER shall place and keep permanently displayed, in a conspicuous place, during the term of this charter, a notice in the following form:

"These Vessels are owned by PETER J. BRIX and are under Bareboat Charter to BRIX MARITIME COMPANY. Under the

terms of said charter, neither the Charterer, its officers, employees or agents, the master or any other officer or member of the crew of these Vessels, nor any other person shall have any right, power, or authority to create, incur, or permit to be imposed upon the Vessels any liens whatsoever, except for crew's wages or salvage."

8.5 CHARTERER shall indemnify and hold OWNER harmless from, and at its own cost defend OWNER against, any liens of whatsoever nature against OWNER, arising out of or in any way related to any act or neglect of CHARTERER in relation to said Vessels, or arising out of the possession, use or operation of said Vessels by CHARTERER.

8.6 If any libel should be filed against the Vessels, or if the Vessels by otherwise levied against or taken into custody by virtue of any legal proceedings in any court because of any lien or claim arising out of the possession, use or operation of said Vessels, CHARTERER shall promptly, and in any event within five (5) days thereof, cause the Vessels to be released and the lien to be discharged, provided, however, that this provision shall not in any way affect or impair any other provision of this Agreement.

ARTICLE 9. INSURANCE

CHARTERER shall procure and maintain, at its sole cost and expense, during the entire period of this agreement, the following insurance, in form and with companies satisfactory to OWNER:

9.1 Hull and Machinery Insurance upon the Vessels covering all risks of loss and war risks and confiscation in an amount not less than the full replacement value specified in Exhibit A. All payments for actual or constructive total loss payable under the Hull and Machinery Insurance shall be made payable directly to OWNER. In no event shall OWNER recover for its interests in the Vessels, whether by insurance, indemnity or otherwise, any sum less than the whole of the above stated replacement value for the Vessels so lost and OWNER shall be entitled to recover from CHARTERER any deficiency between said sum and the whole of the proceeds payable under such insurance.

9.2 Protection and Indemnity insurance with respect to the Vessels for, without limitation, war risks, wreck removal expenses, pollution, liability, and for claims (including those of CHARTERER's employees) arising from death or personal injury, or from loss of or damage to property, with a minimum limit of \$ [REDACTED] applicable to any one accident or occurrence.

9.3 Marine Cargo Insurance on all cargo laden or to be laden aboard the Vessels in an amount equal to the full actual value, plus freight, thereof, including risks of loading and unloading.

9.4 Comprehensive Public Liability Insurance, including without limitation, liabilities assumed under this agreement, with a minimum limit of \$ [REDACTED] applicable to any one accident or occurrence.

9.5 Water Quality Insurance Syndicate Insurance or equivalent, for Section A, in amounts satisfactory to meet any statutory requirements and for Section B with a minimum limit of \$ [REDACTED]

9.6 All such insurance provided for herein shall be endorsed as primary to any insurance provided by OWNER and, except for that required by the terms of Article 9.3, shall name OWNER as additional insured and shall expressly waive subrogation against OWNER. The insurance required by Article 9.3 shall expressly waive subrogation against OWNER. Any deductibles or franchise shall be in amounts satisfactory to OWNER and shall be for the sole account of CHARTERER. All policies or contracts of insurance shall provide for not less than thirty (30) days' written notification to OWNER prior to cancellation, termination, or modification. CHARTERER shall provide certificates evidencing compliance with this Article 9 to OWNER promptly before commencement of the charter term.

ARTICLE 10. INDEMNITY

10.1 In addition to the insurance provisions continued in the Charter Party, CHARTERER will indemnify, protect and hold OWNER harmless from any loss, cost, claim, demand, action, cause of action or liability of any nature whatsoever (including costs and attorneys' fees incurred by OWNER in defending against all such liabilities or enforcing this indemnity provision) in any way arising out of or related to (i) CHARTERER's use and/or operation of the Vessels, and/or (ii) failure of CHARTERER to perform or satisfy any covenant or condition required by the terms of this agreement to be performed or satisfied by CHARTERER.

10.2 All obligations and liabilities of CHARTERER to indemnify, defend and hold OWNER harmless pursuant to any of the terms of this agreement shall survive termination, cancellation or expiration of this Charter Party.

ARTICLE 11. DEFAULT

In the event the CHARTERER shall fail to perform any of its duties or obligations hereunder, or shall violate any of the covenants imposed upon it under this Charter Party, or in the event a petition in bankruptcy shall be filed by or against CHARTERER, or a receiver, trustee, custodian or assignee shall be appointed for CHARTERER or its property, or CHARTERER shall make an assignment or transfer for the benefit of its creditors, or CHARTERER becomes insolvent, or CHARTERER dissolves, or CHARTERER at any time fails to pay charter hire payments promptly when due, or if the Vessels become subject to any levy, seizure, assignment, application or sale for or by any creditor or governmental agency, the OWNER at its option may (1) proceed by appropriate court action or actions either at law or in equity to enforce performance by CHARTERER of the applicable covenants and terms of this Charter Party or to recover from CHARTERER any and all damages or expenses, including reasonable attorney's fees, which OWNER shall have sustained by reason of CHARTERER's default in any covenant or covenants of this Charter Party or on account of Owner's enforcement of its remedies hereunder, and/or (2) terminate the Charter Party without prejudice to any of its rights hereunder. In the event of such termination, OWNER shall have the right to take possession of the Vessels, wherever they may be situated without prior demand and without necessity of legal process and bring the Vessels to the redelivery point hereinbefore provided, at the expense and for the account of CHARTERER, or demand that CHARTERER redeliver the Vessels to the redelivery point hereinbefore provided, and upon such demand, CHARTERER shall, at its own cost and expense, promptly redeliver the Vessels at such redelivery point. In the event of CHARTERER's failure to turn over possession and make such redelivery, the CHARTERER shall indemnify and hold OWNER harmless against all necessary costs and expenses incurred by the OWNER in obtaining possession and taking such redelivery.

ARTICLE 12. TAXES

OWNER shall not be responsible for any transportation, use, sales or any other federal, foreign, state or local taxes due from the operation and use of said Vessels during the period of this agreement. Any such taxes shall be for the sole account of CHARTERER.

ARTICLE 13. SALVAGE

All derelicts and salvage shall be for the equal benefit of OWNER and CHARTERER after deducting expenses and crew's proportion.

ARTICLE 14. LIMITATION OF LIABILITY

Nothing contained herein shall be construed to prohibit or deny to OWNER the benefit of any limitation of or exemption from liability afforded by the laws of the United States or other jurisdiction, whether by statute or otherwise, and whether in law, equity or admiralty. This Agreement shall not be deemed to be a personal contract of a kind that would deprive OWNER of the rights and benefits of any law limiting the liability of vessel owners.

ARTICLE 15. CHARTERER'S CITIZENSHIP

15.1 The CHARTERER warrants that it was duly organized and is now validly existing as a corporation under the laws of the State of Washington; it is now and shall remain during the life of this Charter Party, a citizen of the United States as defined in Section 2 of the Shipping Act, 1916, as amended, for the purpose of ownership and operation of the Vessels in the trade or trades herein permitted and for which the Vessels from time-to-time may be licensed.

15.2 CHARTERER represents and warrants that it is duly authorized to execute and deliver this Charter Party; all corporate action of the directors of the CHARTERER necessary or required by law for the execution and delivery of this Charter been duly and effectively taken; the execution and delivery of this Charter Party is not in contravention of law or the terms of the CHARTERER's Certificate of Incorporation or By-laws or of any indenture or undertaking to which the CHARTERER is a party or by which it is bound.

15.3 CHARTERER will at all times maintain its corporate existence and right to carry on the business in which it is presently engaged or proposes to engage with the Vessels.

ARTICLE 16. ASSIGNMENT AND SUBCHARTER PROHIBITED

16.1 Neither this Charter Party nor any right, title or interest herein shall be assigned or transferred by CHARTERER, whether by operation of law, subcharter or otherwise, nor shall any right, title or interest in the Vessels created hereunder be assigned or transferred by CHARTERER, whether by operation of law, subcharter or otherwise, without the written consent of the OWNER having been first had and

obtained. Provided however, that OWNER shall not unreasonably withhold such consent and, provided further, that in no event shall any such assignment, transfer, or subcharter of any description or other disposition, whether or not consented to by OWNER be deemed, construed or effective to impair, in any manner whatsoever, OWNER's rights and prerogatives as provided for in this Charter Party. Any such transfer or assignment made or attempted in the absence of such consent shall be utterly null, void, and without effect and shall not impose upon OWNER any duty to recognize the validity thereof. Further, whether or not CHARTERER shall have obtained OWNER's consent to such transfer or assignment, no such assignment transfer, or subcharter, whether effected by operation of law, subcharter or otherwise, shall relieve CHARTERER in any degree of any duty of obligation imposed upon, or assumed by, it, or on its part to be performed, hereunder.

ARTICLE 17. PURCHASE OPTIONS

OWNER hereby grants to CHARTERER options to purchase the Vessels as set forth below:

17.1 The first purchase option is exercisable three (3) years from the date hereof by the CHARTERER giving written notice to OWNER of its election to purchase all of the Vessels for [REDACTED]

17.2 The second purchase option is exercisable at the expiration of the charter term by CHARTERER giving written notice to OWNER of its election to exercise its right to purchase any or all of the Vessels at 90% of their then fair market value. If the parties cannot agree upon such purchase price within thirty (30) days after CHARTERER's notice of exercise of the option, they will appoint a single appraiser to make such a determination whose decision shall be binding. In the event the parties cannot agree as to the appointment of an appraiser within sixty (60) days after CHARTERER's notice of exercise of the option, each consents to the appointment of an appraiser by the presiding judge of the Multnomah County Circuit Court in Portland, Oregon. In establishing the purchase price, the parties and the appraiser shall not consider the option price set forth in Section 16.1 or the Charter Hire set forth in Exhibit A. CHARTERER shall claim no credits against the purchase price for improvements to the Vessels made prior to the date hereof.

17.3 OWNER represents and warrants that upon exercise of the options, the Vessels will be delivered free and clear of all liens and encumbrances and subject to no action by OWNER which restricts them from operating in the coastwise trade.

ARTICLE 18. GENERAL PROVISIONS

18.1 All notices and communications required by the terms hereof from OWNER to CHARTERER and from CHARTERER to OWNER shall be made in writing or by telex and addressed to the respective address of the other party as set forth in the preamble hereof or such other address of which the party seeking to give notice has been advised in writing.

18.2 This instrument constitutes the entire agreement of the parties with respect to all matters and things herein mentioned. It is expressly acknowledged and agreed by and between the parties that neither party is now relying upon any collateral, prior or contemporaneous agreement, written or oral, assurance or assurances, representation or warranty, of any kind of nature as to or respecting the condition or capabilities of the

Vessels and the other matters and things, rights and responsibilities herein fixed and described. No modifications, waiver or discharge of any term or provision of this instrument shall be implied in law, equity, or admiralty, nor shall any alteration, modification, or acquittance of any such term or provision be effective for any purpose unless in writing signed by or upon behalf of the party charge therewith.

18.3 In the event payment is not made when due, OWNER shall be entitled to charge to and recover from CHARTERER all costs and expenses, including reasonable attorneys' fees, incurred in collecting the overdue amount. All sums due and to become due under this Charter Party, if unpaid when due, shall if permitted by law, bear interest at the rate of twelve percent (12%) per annum from and after the date upon which the same shall have become due and payable pursuant to the terms of this Charter Party until paid in full. If the aforesaid rate is not permitted by the law of the State of Oregon or of the United States, whichever is controlling, the interest rate applicable to delinquent payments shall be the maximum allowed to be agreed to under the law of the State of Oregon or of the United States, whichever is controlling.

18.4 Captions used herein are for convenience of reference only and shall have no force or effect or legal meaning in the construction or enforcement of this agreement.

18.5 This agreement shall accrue to the benefit of and be binding upon the parties hereto, their successors and permitted assigns.

18.7 Any suit, action or proceeding brought by either party to enforce any term or provision of this agreement shall be commenced in the Multnomah County Circuit Court in the State of Oregon or the United States District Court for Oregon, as appropriate. The prevailing party in any such suit, action or proceeding shall be entitled to recover its costs of suit and reasonable attorney's fees. CHARTERER hereby submits to the jurisdiction of the courts of the State of Oregon and the United States District Court for Oregon and consents to service or process by certified mail, return receipt requested, addressed in accordance with Article 18.1 above.

18.8 The interpretation of this Charter Party and of the rights and obligations of the parties hereunder in law, equity or admiralty shall be governed by the substantive law of the State of Oregon and the General Maritime Law of the United States, insofar as applicable.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed by their duly authorized representatives on the date first appearing above.

PETER J. BRIX
OWNER

BRIX MARITIME COMPANY

By: _____

Its: _____
CHARTERER

BRIX

EXHIBIT A

Vessel	Official Number	Use	Area of Use	Monthly Charter Hire	Replacement Value	Delivery Place
Clarkston						
P. J. Brix						
Alapul						
Seigfried Tiger						
Baranof						
Bismark						
BMC 30						
BMS 22						
TOTAL						

**RIGHT OF FIRST REFUSAL
HAYDEN INVESTMENT CORPORATION**

RECITALS

WHEREAS, by Stock and Asset Purchase Agreement dated _____, 1993 ("Acquisition Agreement"), Foss Maritime Company ("Foss") is to acquire all of the issued and outstanding stock of Brix Maritime Co.;

WHEREAS, Hayden Investment Corporation (the "Company") is one of the Sellers under the Acquisition Agreement and is engaged in the business of _____;

WHEREAS as a condition to closing of the Acquisition Agreement, Sellers (as defined in the Acquisition Agreement) are to deliver an executed agreement granting Foss a right of first refusal to acquire all of the stock of the Company and its subsidiaries;

NOW, THEREFORE, in consideration of the premises and the terms and conditions hereof, the parties agree as follows:

Each of the undersigned hereby grants to Foss a right of first refusal to acquire the stock of the Company, and/or any of its subsidiaries (the "Stock") as follows:

1. The undersigned individuals represent and warrant that they are the owners of all of the issued and outstanding stock of the Company free and clear of any lien, encumbrance or rights (except as contemplated herein) and all of the undersigned represent and warrant that they have the right, power and authority to enter into this Agreement which is enforceable against them in accordance with its terms.

2. Upon receipt of any offer which any of the undersigned is willing to accept for purchase of any or all of the Stock, or involving the transfer or conveyance of the Stock to a partnership, person, corporation or entity other than Foss (including transfers between the undersigned) the owner of said stock ("Owner") shall deliver to Foss a copy of such offer ("Offer"). To exercise its right of first refusal, Foss must give notice to the owner within 30 days after Foss receives the copy of the Offer. If Foss fails to exercise its right of first refusal within the 30-day period, Owner shall be free to sell the Stock to the offeror specified in the Offer on the same terms and conditions contained in the Offer. If the sale is not consummated with the offeror as aforesaid within 120 days from the date of the receipt of the Offer by Foss, the right to sell the Stock shall expire and any future transfers shall remain subject to the terms hereof. These provisions shall continue to apply to all Stock remaining in Owner's ownership. If the Offer involves terms and conditions which may be reasonably met only by a third party, then Owner shall accept from Foss substantially equivalent performance of the terms and conditions of any Offer. If an exchange or assignment of

security of property owned by a third party is involved in the Offer, then substantially equivalent performance by Foss shall mean the exchange or assignment of security of property by Foss of comparable value and character. In the event additional shares of Stock are issued to any of the undersigned, such shares shall be subject to this Agreement. Each certificate representing shares of Stock shall bear a legend referring to the restrictions herein.

3. Except as expressly provided in Paragraph 2 above, the Owners agree that they shall not sell, transfer or otherwise dispose, directly or indirectly, voluntarily or involuntarily, of any of the Stock owned by them in any transaction or series of transactions; provided, however, that the individual Owners may transfer their Stock by gift for no consideration to their respective spouse or descendants or to a trust for their benefit or by devise or inheritance to such beneficiaries without compliance with Paragraph 2 above (and an individual Owner may transfer their Stock to the other without compliance with Paragraph 2 above). Notwithstanding the foregoing proviso, the Stock so transferred will remain subject to the restrictions of this Agreement and the transferees will be bound hereby. The Company agrees that it will not issue any Stock without complying with Paragraph 2 above.

4. This right of first refusal shall be binding upon the Company and its shareholders. This right of first refusal is assignable by Foss to a wholly-owned subsidiary or a parent corporation or its subsidiaries.

5. This right of first refusal shall expire 10 years from the date hereof.

6. There is no shareholder agreement between or among any of the parties hereto.

7. The Company and the Owners agree to provide Foss access to information relating to the exercise of its rights hereunder. The parties agree not to disclose the terms of this Agreement or confidential and proprietary information provided by one to the other pursuant hereto; provided, however, this shall not prohibit disclosures required by law or under compulsory process of law or apply as to information in the public domain.

DATED this ____ day of _____, 1993.

HAYDEN INVESTMENT CORPORATION

SHAREHOLDERS

Peter B. Brix

Robert DeArmond

LAW OFFICES
GARVEY, SCHUBERT & BARER
A PARTNERSHIP OF PROFESSIONAL CORPORATIONS

WASHINGTON, D.C.
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1000 POTOMAC STREET N.W.
WASHINGTON, D.C. 20007
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PORTLAND
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121 S.W. MORRISON STREET
PORTLAND, OREGON 97204-3141
(503) 228-3939

PLEASE REPLY TO SEATTLE OFFICE

September 21, 1993

Peter J. Brix
Ellison C. Morgan, individually and as trustee
of Management Partnership 401(k) Plan
Robert J. DeArmond
Joseph and Sarah Tennant
John B. Altstadt
Hayden Investment Corporation

Re: Acquisition of the Shares of Brix Maritime Company ("BMC") and Certain Assets by Foss Maritime Company ("Foss") Pursuant to Stock and Asset Purchase Agreement dated August 11, 1993, including the Schedules and Exhibits thereto and as amended by First Amendment dated September 21, 1993 (as amended, the "Agreement").

Ladies and Gentlemen:

We have acted as counsel for Foss in connection with the Agreement and the transactions contemplated thereby. This opinion is rendered to you pursuant to § 4.1.2 of the Agreement. Unless otherwise indicated in this opinion, capitalized terms which are used in this opinion and defined in the Agreement shall have the meanings ascribed to them in the Agreement.

In rendering this opinion, we have examined copies of the executed Agreement. In addition, we have examined originals or photostatic or certified copies of all such corporate records, agreements, instruments, documents, certificates of public officials and of officers of Foss as we have deemed relevant and necessary for the opinion herein rendered.

ASSUMPTIONS

In such examination, and except with regard to the Agreement and the transactions contemplated thereby, we have assumed the genuineness of all signatures, the authenticity of documents submitted to us as originals and the conformity with the original documents of all documents submitted to us as copies thereof. We have further assumed the power, authority,

September 21, 1993

Page 2

capacity and legal right of all parties other than Foss to enter into and perform their respective obligations under the Agreement, the due authorization, execution and delivery of the Agreement by all parties thereto other than Foss.

SCOPE OF INVESTIGATION

As to questions of fact material to this opinion, we have relied to the extent we deem such reliance appropriate, without investigation, on certificates and other communications from public officials and from officers of Foss. We have made no independent investigations with regard to such matters or with regard to the warranties and representations made by Foss in the agreement. With respect to matters stated to be true to the best of our knowledge, our opinion is based on that information which has come to our attention in the course of our representation of Foss and, except for our discussions with officers of Foss, we have made no special investigation with respect thereto.

OPINION

Based upon and subject to the foregoing and the qualifications below, and having regard to the legal considerations which we deem relevant, we are of the opinion that:

1. Foss is a corporation duly incorporated, validly existing and in good standing in the State of Washington, is a citizen of the United States as defined in Section 2 of the Shipping Act of 1916, as amended, for purposes of operation in the coastwise trade, and has the corporate power and authority to carry on its business as it is now conducted and to own, lease and operate its properties.

2. Foss has all corporate power and capacity to execute and deliver the Agreement and to consummate the transactions contemplated thereby. The Agreement constitutes the valid and binding obligation of Foss enforceable against Foss in accordance with its terms.

3. Neither the execution and delivery of this Agreement by Foss nor the consummation of the transactions contemplated thereby, with or without the lapse of time or the giving of notice or both, will: (i) violate any provision of the Articles of Incorporation or bylaws of Foss, or (ii) to our best knowledge, violate, conflict with, result in the breach of termination of, constitute a default under, accelerate or otherwise adversely affect the performance or obligations of any party required by, or result in the creation of any lien, charge or encumbrance upon any of the properties or assets of Foss pursuant to, any indenture, mortgage, deed of trust, contract, lease, agreement or other instrument to which Foss is a party or by which it or any of its properties or assets may be bound, where such violation, default or acceleration, lien, charge or encumbrance would have a material adverse effect on the business and operations of Foss taken as a whole, or (iii) to our best

September 21, 1993

Page 3

knowledge, violate any judgment, decree or order of any federal, state, local or foreign court, regulatory authority or other governmental body, or any statute, rule or regulation, applicable to Foss where such violation would have a material adverse effect on the business and operations of Foss taken as a whole. To our best knowledge, no consent, approval, authorization, order, declaration, filing, registration or qualification of or with any court, regulatory authority or other governmental body or other person is required to be made or obtained by Foss for the consummation of the transactions contemplated by the Agreement.

4. To our best knowledge, there are no actions, suits, proceedings or investigations of any nature pending or threatened against Foss that challenge the validity or propriety of the transactions contemplated by the Agreement or which seek to delay, prohibit or restrict in any manner, any action taken or to be taken by Foss under the Agreement.

DISCLAIMER

The opinions expressed herein are subject to and qualified by the following:

1. Regardless of the states in which members of this firm are licensed to practice, we express no opinion as to the laws of any jurisdiction other than the State of Washington and applicable federal laws. We have assumed, with your permission, that the laws of the State of Oregon are the same as the laws of Washington for purposes of the opinion made in the second sentence of Paragraph 2 above.

2. This opinion is provided to you as a legal opinion and not as a guarantee of the matters discussed herein. Our opinion is limited to the matters expressly stated herein, and no other opinions may be implied or inferred.

3. We express no opinion as to any matter relating to: (a) the choice of law provisions; (b) compliance with federal or state securities laws; (c) the enforceability of any waiver provisions; (d) the reasonableness of the time, place, consideration and scope and interest of the public in determining the validity of the noncompetition provisions; (e) the value of the Shares; (f) the adequacy of the consideration given for the Shares or Acquired Assets; (g) the accuracy or completeness of any representations made by Foss; (h) the right of Sellers to pursue any rights or remedies on account of a breach of warranty or representation in any situation where Sellers knew or should have known or had reason to know of the inaccuracy or incompleteness of the warranty or representation at the time it was deemed to be given; (i) the accuracy or completeness of any representations made by Foss to Seller; or (j) the financial status of Foss.

4. We qualify our opinion to the extent that the enforceability of the rights and remedies provided for in the Agreement are subject to insolvency, moratorium and bankruptcy laws or other similar laws affecting generally the enforceability of creditor's

September 21, 1993

Page 4

rights from time to time in effect and the enforceability of the obligations of Foss under the Agreement are subject to general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law, including application by a court of competent jurisdiction of principles of good faith, unconscionability, fair dealing, and commercial reasonableness.

MISCELLANEOUS

This opinion is rendered as of the date set forth above, and we disclaim any obligation to advise you of any changes or circumstances, law or event that may occur after this date or to otherwise update this opinion.

This opinion is issued solely for the benefit of the addressees, may be relied upon solely by them in connection with the transaction described herein and is not to be made available to, or relied upon by, any other person, firm or entity.

GARVEY, SCHUBERT & BARER

Garvey, Schubert & Barer



PACWEST CENTER, SUITES 1600-1950
1211 SOUTHWEST FIFTH AVENUE • PORTLAND, OREGON 97204-3795
TELEPHONE: 503 222-9981 • FAX: 503 796-2900 • TELEX: 4937535 SWK UI

September 21, 1993

Foss Maritime Company
660 West Ewing Street
Seattle, WA 98119

Re: Acquisition of the Shares of Brix Maritime Co. ("BMC") and Certain Assets by Foss Maritime Company ("Foss") Pursuant to the Stock and Asset Purchase Agreement dated August 11, 1993, including the Schedules and Exhibits thereto and as amended by First Amendment dated September 21, 1993 (as amended, the "Agreement")

Gentlemen:

INTRODUCTION

We have acted as counsel to Peter J. Brix, Robert J. DeArmond, Ellison C. Morgan, individually and as trustee of Management Partnership 401(k) Plan, Joseph and Sarah Tennant, John B. Altstadt, and Hayden Investment Corporation (collectively, the "Sellers") in connection with the sale of BMC stock and other transactions contemplated by the Agreement. This opinion is rendered on behalf of and with the consent of the Sellers to Foss pursuant to § 4.2.3 of the Agreement. Unless otherwise indicated in this opinion, capitalized terms which are used in this opinion and defined in the Agreement shall have the meaning ascribed to them in the Agreement.

DOCUMENTS REVIEWED

In rendering our opinion, we have examined copies of the executed Agreement. In addition, we have examined originals or photostatic or certified copies of all such corporate records, agreements, instruments, documents, certificates of public officials and of officers of Foss, BMC and the Sellers as we have deemed relevant and necessary for the opinion herein rendered.

(SWW2/46570/87118/CMC/545449.3)

PORTLAND OREGON 503 222-9981	SEATTLE WASHINGTON 206 621-9168	VANCOUVER WASHINGTON 206 694-7551	WASHINGTON DISTRICT OF COLUMBIA 202 785-5960
------------------------------------	---------------------------------------	---	--

ASSUMPTIONS

In such examination, and except with regard to the Agreement and the transactions contemplated thereby, we have assumed the genuineness of all signatures, the authenticity of documents submitted to us as originals and the conformity with the original documents of all documents submitted to us as copies thereof. We have further assumed the power, authority, capacity and legal right of all parties other than the Sellers and BMC to enter into and perform their respective obligations under the Agreement and the due authorization, execution and delivery of the Agreement by all parties thereto other than the Sellers and BMC.

SCOPE OF INVESTIGATION

As to questions of fact material to this opinion, we have relied on certificates and other communications from public officials and from the Sellers and officers of BMC, Subsidiaries and the Option Corporation. We have made no independent investigations with regard to such matters or with regard to the warranties and representations made by the Sellers in the Agreement. With respect to matters stated to be true to the best of our knowledge, our opinion is based on that information which has come to our attention in the course of our representation of Sellers and, except for our discussions with officers of such entities and our review of the items referenced in the Agreement, we have made no special investigation with respect thereto. For purposes of determining stock ownership, we have relied solely on our review of the stock transfer books, the certificates from the Sellers, and the representations and warranties of the Sellers in the Agreement without further investigation.

OPINION

Based upon and subject to the foregoing and the qualifications below, and having regard to the legal considerations which we deem relevant, we are of the opinion that:

1. BMC is a corporation duly incorporated, validly existing and in good standing in the State of Delaware, is a citizen of the United States as defined in Section 2 of the Shipping Act of 1916, as amended, for purposes of operation in the coastwise trade, and is duly qualified to do business and is in good standing in each jurisdiction in which failure so to qualify by reason of the nature of the business conducted or the properties or assets owned or leased by it could have a material adverse effect upon its business or operations taken as a whole. BMC has the corporate power and authority to carry on its business as it is now conducted and to own, lease and operate its properties.

2. Each of BMC's Subsidiaries listed on Schedule 2.1.1 to the Agreement, is a corporation duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation, and has the corporate power and authority to carry on its business as it is now conducted and to own, lease and operate its properties, and is duly

qualified to do business and is in good standing in each jurisdiction in which failure so to qualify by reason of the nature of the business conducted or the properties or assets owned or leased by it could have a material adverse effect upon its business or operations taken as a whole. Each Subsidiary is a citizen of the United States as defined in Section 2 of the Shipping Act of 1916, as amended, for purposes of operation in the coastwise trade. Schedule 2.1.1 sets forth the authorized, issued and outstanding capital stock of the Subsidiaries and the record ownership of BMC or Subsidiaries; and (ii) except as set forth on Schedule 2.1.1, to the best of our knowledge, BMC does not own, directly or indirectly, whether of record or beneficially, any shares of capital stock or other interest in any corporation, partnership, joint venture, trust or other entity of any nature whatsoever.

3. The authorized capitalization of BMC consists of 10,000 shares of common stock, without par value, of which an aggregate of 4,953 shares are outstanding and 224 shares are subscribed. Except for the 224 subscribed shares, all of the outstanding shares of capital stock of BMC and each Subsidiary are validly issued, fully paid and non-assessable. Except as disclosed in the Agreement, to our best knowledge, there are no outstanding options, warrants, rights, calls or other commitments of any nature relating to the authorized but unissued shares of capital stock of BMC or any Subsidiary or concerning the authorization, issuance or sale of any other equity securities of BMC or any Subsidiary.

4. Each Seller owns beneficially that number of the Shares set forth opposite such Seller's name on Exhibit A to the Agreement, and upon the payment of certain sums to secured lenders from the purchase price and delivery to Foss of the stock certificates representing such number of the Shares as provided in the Agreement duly executed for transfer, Foss will receive good and valid title to such number of the Shares. The Shares constitute all of the issued and outstanding capital stock of BMC.

5. BMC has the full corporate power and capacity to execute and deliver the Agreement and to consummate the transactions contemplated thereby. Each Seller has full power and capacity to execute and deliver the Agreement and to consummate the transactions contemplated thereby. The Agreement is the valid and binding obligations of each Seller enforceable against such Seller in accordance with their terms.

We qualify our opinion to the extent that the enforceability of the rights and remedies provided for in the Agreement is subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar laws affecting the rights of creditors generally and by equitable principles, including those limiting the availability of specific performance, injunctive relief and other equitable remedies and those providing for defenses based on fairness and reasonableness, regardless of whether considered in a proceeding in equity or at law, including application by a court of competent jurisdiction of principles of good faith, unconscionability, fair dealing, and commercial reasonableness.

6. Except as set forth in the Agreement, neither the execution and delivery of the Agreement by Sellers nor the consummation of the transactions contemplated thereby,

with or without the lapse of time or the giving of notice or both, will: (i) violate any provision of the Certificate or Articles of Incorporation or bylaws of BMC or any of the Subsidiaries, or (ii) to our best knowledge, violate, conflict with, result in the breach of termination of, constitute a default under, accelerate or otherwise adversely affect the performance or obligations of any party required by, or result in the creation of any lien, charge or encumbrance upon any of the properties or assets of BMC or any of the Subsidiaries pursuant to, any indenture, mortgage, deed of trust, contract, lease, agreement or other instrument to which BMC or any of the Subsidiaries is a party or by which it or any of them or any of their properties or assets may be bound, where such violation, default or acceleration, lien, charge or encumbrance would have a material adverse effect on the Business, or (iii) to our best knowledge, violate any judgment, decree or order of any federal, state, local or foreign court, regulatory authority or other governmental body, or any statute, rule or regulation, applicable to BMC or the Subsidiaries where such violation would have a material adverse effect on the Business. Except as set forth in the Agreement, to our best knowledge, no consent, approval, authorization, order, declaration, filing, registration or qualification of or with any court, regulatory authority or other governmental body or other person is required to be made or obtained by the Sellers for the consummation of the transactions contemplated by the Agreement where such failure would have a material adverse effect on the Business.

7. To our best knowledge, except as set forth in the Agreement, (i) there are no actions, suits, proceedings, or investigations of any nature pending or threatened, relating to BMC, any Subsidiary or any of their respective properties or assets of any kind; and (ii) neither BMC nor any Subsidiary is subject to or in default under any outstanding judgment, order, writ, injunction or decree of any court or of any governmental agency or instrumentality, and there is no such judgment, order, writ, injunction, or decree of any kind in effect enjoining or restraining the Sellers (in relation to BMC or any Subsidiary), BMC, any Subsidiary, or any officer or director of BMC (in relation to BMC or any Subsidiary), from taking any material action of any kind. To our best knowledge, there are no actions, suits, proceedings or investigations of any nature pending or threatened against BMC, the Subsidiaries or Sellers that challenge the validity or propriety of the transactions contemplated by the Agreement or which seek to delay, prohibit or restrict in any manner, any action taken or to be taken by BMC, the Subsidiaries or the Sellers under the Agreement.

DISCLAIMER

The opinions expressed herein are subject to and qualified by the following:

1. Regardless of the states in which members of this firm are licensed to practice, we express no opinion as to the laws of any jurisdiction other than the state of Oregon and applicable federal law.

2. This opinion is provided to you as a legal opinion and not as a guarantee of the matters discussed herein. Our opinion is limited to the matters expressly stated herein, and no other opinions may be implied or inferred.

3. We express no opinion as to any matter relating to: (a) the choice of law provisions; (b) compliance with federal or state securities laws; (c) the enforceability of any waiver provisions; (d) the reasonableness of the time, place, consideration and scope and interests of the public in determining the validity of the noncompetition provisions; (e) the value of the Shares; (f) the adequacy of the consideration given for the Shares and Acquired Assets; (g) the accuracy or completeness of any representations made by the BMC or the Sellers; (h) the right of Foss to pursue any rights or remedies on account of, a breach of warranty or representation in any circumstances where Foss knew, or should have known, or had reason to know, of the inaccuracy or incompleteness of the warranty or representation at the time it was or was deemed to be given; (i) the accuracy or completeness of any financial, accounting or statistical information furnished to Foss; and (j) the financial status of BMC or the Subsidiaries.

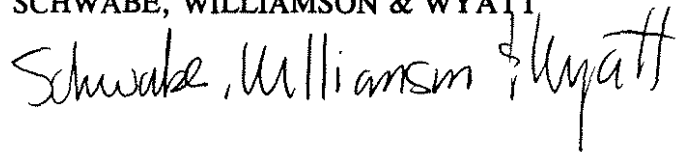
MISCELLANEOUS

This opinion is rendered as of the date set forth above, and we disclaim any obligation to advise you of any changes in the circumstances, laws, or events that may occur after this date or to otherwise update this opinion.

This opinion is issued solely for the benefit of Foss, may be relied upon solely by Foss in connection with the transaction described herein and is not to be made available to, or relied upon by, any other person, firm or entity.

Very truly yours,

SCHWABE, WILLIAMSON & WYATT



cc: Peter J. Brix
Robert J. DeArmond
Ellison C. Morgan
Joseph and Sarah Tennant
John B. Altstadt
Hayden Investment Corporation

FOSS MARITIME COMPANY

**UNANIMOUS CONSENT TO CORPORATE ACTION
BY THE BOARD OF DIRECTORS**

The undersigned, being all the directors of Foss Maritime Company, a Washington corporation (the "Corporation"), hereby waive all notices, statutory and otherwise, and approve, consent and ratify the following corporate action, pursuant to the Company's Bylaws and RCW. 23B.08.210.

WHEREAS, Donald E. McElroy has resigned as Senior Vice President, effective as of June 30, 2008;

NOW, THEREFORE, IT IS

RESOLVED, that the resignation of Mr. McElroy as Senior Vice President, effective as of June 30, 2008, is hereby accepted.

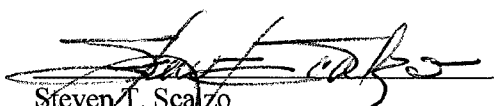
RESOLVED FURTHER, that Frank H. Williamson is hereby appointed as Vice President & Secretary of the Corporation effective June 30, 2008.

RESOLVED FURTHER, that this Consent by the undersigned may be executed and delivered in any number of counterparts and by facsimile or other electronic means, each of which shall be deemed to be an original, but all such counterparts together shall constitute one and the same instrument, and when effective shall be treated by all persons as having the same effect as if the resolutions herein contained were lawfully adopted at a meeting actually held upon due and proper notice.

DATED as of June 27, 2008.

Steven E. Giese

Dated _____



Steven T. Scalzo

Dated 06.27.08



Paul E. Stevens

Dated 06.27.08

FOSS MARITIME COMPANY

**UNANIMOUS CONSENT TO CORPORATE ACTION
BY THE BOARD OF DIRECTORS**

The undersigned, being all the directors of Foss Maritime Company, a Washington corporation (the "Corporation"), hereby waive all notices, statutory and otherwise, and approve, consent and ratify the following corporate action, pursuant to the Company's Bylaws and RCW. 23B.08.210.

WHEREAS, Donald E. McElroy has resigned as Senior Vice President, effective as of June 30, 2008;

NOW, THEREFORE, IT IS

RESOLVED, that the resignation of Mr. McElroy as Senior Vice President, effective as of June 30, 2008, is hereby accepted.

RESOLVED FURTHER, that Frank H. Williamson is hereby appointed as Vice President & Secretary of the Corporation effective June 30, 2008.

RESOLVED FURTHER, that this Consent by the undersigned may be executed and delivered in any number of counterparts and by facsimile or other electronic means, each of which shall be deemed to be an original, but all such counterparts together shall constitute one and the same instrument, and when effective shall be treated by all persons as having the same effect as if the resolutions herein contained were lawfully adopted at a meeting actually held upon due and proper notice.

DATED as of June 27, 2008.

Steven E. Giese
Steven E. Giese

Dated 06.26.08

Steven T. Scalzo
Steven T. Scalzo

Dated _____

Paul E. Stevens
Paul E. Stevens

Dated _____

FOSS MARITIME COMPANY

UNANIMOUS CONSENT IN LIEU OF THE 2007 ANNUAL MEETING OF SHAREHOLDERS AND THE BOARD OF DIRECTORS

The undersigned, being the sole shareholder and all of the directors of Foss Maritime Company, a Washington corporation (the "Corporation"), hereby waive all notices, statutory and otherwise, and unanimously consent to the following corporate action in lieu of holding a meeting for that purpose, pursuant to the Corporation's Bylaws and RCW 23B.07.040 and RCW 23B.08.210:

1. Election of Directors

RESOLVED, that the shareholder hereby elects the following persons to serve on the Board of Directors of the Corporation until the next annual meeting of the shareholder or until their successors are elected and qualified:

Steven E. Giese
Steven T. Scalzo
Paul E. Stevens

2. Election of Officers

RESOLVED, that the Board of Directors elects the following persons to serve as officers of the Corporation until the next annual meeting of the Board or until their successors are elected and qualified:

Chairman & Chief Executive Officer	Paul E. Stevens
President & Chief Operating Officer	Gary C. Faber
Senior Vice President	Donald E. McElroy
Senior Vice President	J. Scott Merritt
Vice President	Craig C. Campbell
Vice President	Gilbert W. Graham
Vice President	Susan Hayman
Vice President	David S. Hill
Vice President	Charlene R. McArthur
Vice President	Michael O'Shea
Vice President	Bruce N. Reed
Vice President	Andy Stephens
Secretary	Frank H. Williamson
Assistant Secretary	Steven E. Giese
Treasurer	Kirstin Sandaas
Assistant Treasurer	Kevin L. Orstad

3. Distributions

WHEREAS, the Board has determined, pursuant to RCW 23B.06.400, based on financial statements of the Corporation presented to the Board, that after giving effect to the below-described distributions, the Corporation will be able to pay its liabilities as they become due in the usual course of business and the Corporation's total assets will exceed its total liabilities;

NOW, THEREFORE, IT IS HEREBY

RESOLVED, that the Board approves and ratifies distributions made to the parent corporation, in an amount determined by the Treasurer, prior to the end of calendar year 2007; provided that, after giving effect to the distributions made hereunder, the Corporation will remain able to pay its liabilities as they become due in the usual course of business and the Corporation's total assets will remain in excess of the sum of its total liabilities plus any shareholder's preferential rights in liquidation.

4. Ratification of Acts

RESOLVED, that all actions taken by the corporate officers and the directors on behalf of the Corporation since the last annual meeting are hereby ratified and approved.


5. Counterparts

RESOLVED, that this Consent by the undersigned may be executed in counterparts (including by facsimile), shall be effective upon the date of the last signature hereon below, and when effective, may be treated by all persons as having the same effect as if the resolutions herein contained were lawfully adopted at a meeting actually held upon due and proper notice.

[Remainder of Page Intentionally Left Blank]

SHAREHOLDER:

MARINE RESOURCES GROUP, INC.

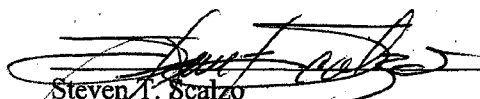
By 
Paul E. Stevens, President & CEO

Dated 12.14.07

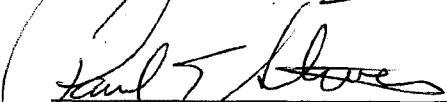
DIRECTORS:

Steven E. Giese

Dated _____


Steven T. Scalzo

Dated 12.14.07


Paul E. Stevens

Dated 12.14.07

SHAREHOLDER:

MARINE RESOURCES GROUP, INC.

By _____
Paul E. Stevens, President & CEO

Dated _____

DIRECTORS:



Steven E. Giese

Dated 12.10.07

Steven T. Scalzo

Dated _____

Paul E. Stevens

Dated _____

FILED
STATE OF WASHINGTON

ARTICLES OF AMENDMENT
TO RESTATED ARTICLES OF INCORPORATION
OF
TOTEM RESOURCES CORPORATION

SEP 08 1998

RALPH M. MOHR
SECRETARY OF STATE

Pursuant to RCW 23B.10.060 of the Washington Business Corporation Act, the undersigned corporation hereby submits the following amendment to the corporation's Restated Articles of Incorporation:

1. The name of the corporation is Totem Resources Corporation.
2. The text of the amendment as adopted is as follows:

ARTICLE I
NAME

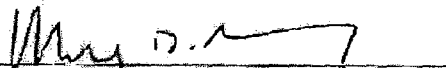
The name of this corporation is Saltchuk Resources, Inc.

3. The amendment does not provide for an exchange, reclassification or cancellation of issued shares.
4. The date of adoption of such amendment by the Board of Directors was September 26, 1998.
5. The amendment was adopted by the Board of Directors without shareholder action as no shareholder action was required pursuant to RCW 23B.10.020.

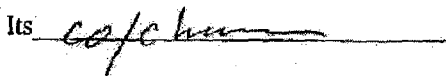
DATED this 26th day of September, 1998.

TOTEM RESOURCES CORPORATION

By



Its



BILL OF SALE

THIS BILL OF SALE made this 1st day of October, 1970,
by DILLINGHAM CORPORATION, a Hawaii corporation, herein referred
to as "Dilco", to FOSS LAUNCH & TUG CO., a Washington corpora-
tion, herein referred to as "Foss",

W I T N E S S E T H :

Dilco, for good and valuable consideration to it paid by
Foss, receipt of which is hereby acknowledged, does by these
presents sell, assign, transfer, set over and deliver to Foss,
its successors and assigns forever, the following described
personal properties:

All personal properties of Foss Launch & Tug Co., a Divi-
sion of Dilco, mixed, tangible or intangible, wherever
located, including but without limiting the generality of
the foregoing:

1. All of its business and physical assets, names, trade-
marks, trade names, good will, patents, patent applications,
patent licenses and other licenses, inventions (whether or
not covered by patents), backlogs of orders, compositions
and processes, drawings, trade secrets, plans, formulae,
files, notebooks, records relating to research engineering
and development, production data, shop rights, customer
lists, know-how and intangibles of every description.
2. All vessels, including tugs, barges, scows, dry docks,
skiffs, motor boats, and the like.
3. All cash, whether on hand or in banks, any and all
contracts, rights under contracts, all accounts and notes
receivable, prepaid expenses, rights under insurance poli-
cies, and other intangibles, heretofore owned by Foss
Launch & Tug Co., a Division of Dilco.

The transfer hereby of any property, right or privilege,
which requires the consent or approval of any third person is

expressly made subject to such consent or approval. Dilco agrees to join in any application or request made by Foss for any such consent or approval, and Dilco shall use its best efforts to obtain such consent or approval. Notwithstanding any provision hereof to the contrary, this Bill of Sale shall not constitute a transfer of any property, right or privilege if an attempted transfer thereof without the consent or approval of a third party thereto would constitute a breach thereof or in any way affect the rights of Dilco or Foss hereunder.

TO HAVE AND TO HOLD the said personal properties unto Foss and its successors and assigns forever.

And Dilco, for the consideration aforesaid, does hereby sell, assign and transfer unto Foss, its successors and assigns, the benefit of any warranties or covenants accruing to the use and benefit of Dilco with respect to any of the personal property hereby conveyed to Foss.

Dilco warrants and represents that it has absolute title to and the full right to dispose of the properties described herein.

Dilco agrees to execute any and all further documents which may be necessary to complete the transfer of Dilco's personal property to Foss.

IN WITNESS WHEREOF, Dilco has caused its corporate name to be hereunto subscribed and its corporate seal to be hereunto affixed by its proper officers thereunto duly authorized,

the date first above written.

DILLINGHAM CORPORATION

By *E. Hansen*
Group Vice President

[SEAL]

By *Harold T. Robinson*
Assistant Secretary



STATE of WASHINGTON SECRETARY of STATE

I, Ralph Munro, Secretary of State of the State of Washington and custodian of its seal, hereby issue this

CERTIFICATE OF AMENDMENT

to

FOSS LAUNCH & TUG CO.

a Washington Profit corporation. Articles of Amendment were filed for record in this office on the date indicated below.

Changing name to FOSS MARITIME COMPANY

Corporation Number: 2-201198-5

Date: May 8, 1986

Given under my hand and the seal of the State of Washington, at Olympia, the State Capitol.

Ralph Munro, Secretary of State

MINUTES OF SPECIAL MEETING OF THE BOARD OF
DIRECTORS OF FOSS LAUNCH & TUG CO. HELD IN
THE OFFICES OF DILLINGHAM CORPORATION, 1441
KAPIOLANI BOULEVARD, HONOLULU, HAWAII, ON
SEPTEMBER 3, 1970, AT 10:00 O'CLOCK A.M.

MEETING
CALLED
TO ORDER

The meeting was called to order by Mr. L. S.
Dillingham who presided as Chairman.

NOTICE

Mr. Harlo L. Robinson acted as Secretary of
this meeting and stated that the meeting was called
pursuant to Waiver of Notice and Consent signed by
all of the Directors and made a part of these minutes.

DIRECTORS
PRESENT

L. S. Dillingham
J. C. Walker
C. W. Maxeiner

G. S. Wheaton
R. A. Obrock

DIRECTORS
ABSENT

S. D. Campbell
G. R. Hansen

PRESENT BY
INVITATION

Harlo L. Robinson

ADOPTION OF
BY-LAWS

The Chairman announced that the Corporation had
been incorporated in the State of Washington on October
21, 1959, and that the above-named directors were listed
in the Articles of Incorporation as being the first directors
of the Corporation. The Chairman further stated that the
Corporation had not heretofore engaged in business and
that it would now be in order to adopt By-Laws for the
regulation of the Corporation's business and affairs,
whereupon on motion duly made, seconded and unani-
mously carried, the By-Laws in the form presented to this
meeting were adopted as the By-Laws of this Corporation.

ELECTION OF
DIRECTORS

The Chairman advised that the By-Laws adopted
at this meeting provided that the Board of Directors shall
consist of five (5) members until changed by amendment
of said By-Laws. Thereupon, the resignations of Messrs.
L. S. Dillingham, G. S. Wheaton, R. A. Obrock and
C. W. Maxeiner were accepted effective immediately
after the close of this meeting. Messrs. H. C. Cornuelle
and W. P. Wood were then nominated to serve as Directors
of this Corporation, and upon motion duly made, seconded
and unanimously carried, the following resolution was
adopted:

RESOLVED, that Messrs. H. C. Cornuelle and
W. P. Wood be and they hereby are elected to serve as
members of the Board of Directors of this Corporation,
effective immediately after this meeting, and to serve
as such until their successors shall be duly elected and
qualified.

ELECTION OF
OFFICERS

The Chairman announced that it would be in order to elect officers to serve this Corporation, whereupon on motion duly made, seconded and unanimously carried, the following resolution was adopted:

RESOLVED, that the following be and they hereby are elected to hold the offices listed opposite their names until such time as their successors have been duly elected and qualified:

S. D. Campbell	President
J. D. Minkler	Vice President
W. P. Wood	Vice President
A. J. Conway	Vice President
E. R. Dahl	Vice President & Controller
G. E. Chafin	Treasurer
H. L. Robinson	Secretary
D. P. Broderick	Assistant Secretary and Assistant Treasurer
B. Jacobs	Assistant Secretary

ADOPTION
OF FORM
OF STOCK
CERTIFICATE

The Chairman presented a proposed form of stock certificate for shares of the capital stock of the corporation. Thereupon, on motion duly made, seconded and unanimously carried, it was:

RESOLVED, that the form of stock certificate for shares of the capital stock of the corporation as presented to this meeting be and the same hereby is approved, and that a specimen of the said form be filed with the minutes of this meeting.

ISSUANCE OF
STOCK TO
DILLINGHAM
CORPORATION

The Chairman announced that Dillingham Corporation proposed to transfer those assets presently employed in the conduct of the business of Foss Launch & Tug Co., a Division of Dillingham Corporation, to this Corporation in exchange for all of its authorized capital stock. Thereupon, on motion duly made, seconded and unanimously carried, the following resolution was adopted:

RESOLVED, that the officers of this Corporation be and they hereby are authorized to issue to Dillingham Corporation, certificates evidencing all of this Corporation's authorized capital stock, that is, 500 shares of the par value of \$100.00 per share, in exchange for all of the assets to be transferred to this Corporation by Dillingham Corporation; and

RESOLVED FURTHER, that any excess over \$50,000 of the book value of such assets to be transferred by Dillingham Corporation to this Corporation shall be recorded on the books of this Corporation as paid-in capital.

AUTHORITY OF
J. D. MINKLER
AND J. E.
EASTMAN TO
EXECUTE
DOCUMENTS
FOR ENROLLMENT
AND LICENSING
OF VESSELS

The Chairman stated that it was necessary that certain officers be authorized to execute documents for the purpose of registry, enrollment and/or licensing of vessels of this Corporation. Thereupon, on motion duly made, seconded and unanimously carried, the following resolution was adopted:

RESOLVED, that J. D. Minkler, Vice President, and J. E. Eastman, an employee of Foss Launch & Tug Co., shall have specific authority to do and perform on behalf of Foss Launch & Tug Co., the following:

That this Corporation does hereby make, constitute and appoint each of J. D. Minkler and J. E. Eastman its "specially authorized officers" for the purpose of subscribing and executing U. S. Coast Guard Form 1259 and any other documents on its behalf in connection with the registry, enrollment and/or licensing of any and all vessels owned by this Corporation and for any other purpose in connection with the registering, licensing or enrolling of this Corporation's vessels and giving and granting onto such specially authorized officers full powers and authorization aforesaid as fully as this corporation could do.

AUTHORITY
TO EXECUTE
U. S. TREASURY
DEPARTMENT
FORM 5293,
CORPORATE
POWER OF
ATTORNEY FOR
CUSTOMHOUSE
BROKERS AND
EMPLOYEES

The Chairman stated that it was necessary that certain officers be authorized to execute certain Corporate Powers of Attorney (U. S. Customs Form 5293), granting authority to various Customhouse Brokers and certain employees to conduct customs business in behalf of the Corporation. Therefore, upon motion duly made, seconded and unanimously carried, the following resolution was adopted:

RESOLVED, that the President or any Vice President of this Corporation, be and they each are hereby authorized on behalf of this Corporation and in its name, to execute U. S. Customs Forms 5293, Corporation Power of Attorney, designating the following individuals and Customhouse Brokers to act as agents for this Corporation on U. S. Customs matters:

Licensed Corporate Customhouse Brokers through its
licensed officers and employees, as listed below:

B. R. Anderson and Co.
B. A. McKenzie and Co.
George S. Bush and Co., Inc.
J. T. Steeb and Co., Inc.
Arthur J. Fritz and Co., Inc.

Employees:

William A. Acorn
Walter Swanson
George W. Maddock
Ralph J. Staehli
C. J. Harrison
J. E. Peterson

AUTHORITY
OF CERTAIN
OFFICERS TO
ESTABLISH OR
CLOSE BANK
ACCOUNTS AND
TO DESIGNATE
PERSONS
AUTHORIZED TO
WITHDRAW
FUNDS FROM
SUCH ACCOUNTS

The Chairman informed the Board that it would be advisable to authorize certain officers primarily concerned with the financial management of the Company to establish or close bank accounts on behalf of this Corporation and to designate those persons authorized to withdraw funds from such accounts on behalf of this Corporation. After discussion, upon motion duly made, seconded and unanimously carried, the following resolution was adopted:

RESOLVED:

(1) That the Treasurer of this Corporation be and he hereby is authorized on behalf of this Corporation, at or with such banks as he may from time to time select, to establish or close such bank accounts as he may deem advisable and, under such names and upon such terms and conditions as he may deem advisable.

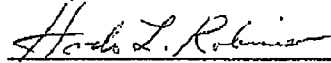
(2) That such officer be and he hereby is authorized on behalf of this Corporation to designate, by instructions in writing to such banks, those persons authorized to withdraw funds from such accounts, and that such banks be and they hereby are authorized to honor and pay any and all checks and drafts of this Corporation as provided in such written instructions, whether or not payable to the person or persons signing them, and that checks, drafts, bills of exchange and other evidences of indebtedness may be endorsed for deposit to the account of this Corporation by any of the persons so designated in such written instructions, and may be endorsed in writing or by stamp and with or without the designation of the persons so endorsing.

(3) That the Secretary or any Assistant Secretary of this Corporation, and each of them, is hereby authorized and directed to furnish a certified copy of this resolution to any bank with which this Corporation has had, now has, or may in the future have, any dealings, and is further authorized and empowered from time to time, to certify to such bank, the names of the respective officers of this Corporation and their signatures; and all such

certificates shall be final and binding upon this Corporation and any bank shall be entitled to rely thereon for all purposes, until such time as written notice of any revocation of, or modification or alteration in the subject matter of any such certificates shall have been received by such bank at the office through which this Corporation has dealt.

ADJOURNMENT

There being no further business to come before the Board, a motion to adjourn was carried.



Harlo L. Robinson
Secretary

MARINE RESOURCES GROUP, INC.

UNANIMOUS CONSENT IN LIEU OF THE 2007 ANNUAL MEETING OF SHAREHOLDERS AND THE BOARD OF DIRECTORS

The undersigned, being the sole shareholder and all of the directors of Marine Resources Group, Inc. a Washington corporation (the "Corporation"), hereby waive all notices, statutory and otherwise, and unanimously consent to the following corporate action in lieu of holding a meeting for that purpose, pursuant to the Corporation's Bylaws and RCW 23B.07.040 and RCW 23B.08.210:

1. Election of Directors

RESOLVED, pursuant to Section 2.2 of the Corporation's Bylaws, the number of directors is set at four (4);

RESOLVED FURTHER, that the shareholder hereby elects the following persons to serve on the Board of Directors of the Corporation until the next annual meeting of the shareholder or until their successors are elected and qualified:

Timothy B. Engle
Steven E. Giese
Paul E. Stevens
Mark N. Tabbutt

2. Election of Officers

RESOLVED, that the Board of Directors elects the following persons to serve as officers of the Corporation until the next annual meeting of the Board or until their successors are elected and qualified:

Chairman, President & CEO	Paul E. Stevens
Chief Operating Officer	Steven T. Scalzo
Vice President	Vincent P. Godfrey
Vice President, General Counsel & Secretary	Arthur J. Volkle, Jr.
Vice President, CFO & Treasurer	Kirstin Sandaas
Assistant Secretary	Steven E. Giese

3. Distributions

WHEREAS, the Board has determined, pursuant to RCW 23B.06.400, based on financial statements of the Corporation presented to the Board, that after giving effect to the

below-described distributions, the Corporation will be able to pay its liabilities as they become due in the usual course of business and the Corporation's total assets will exceed its total liabilities;

NOW, THEREFORE, IT IS HEREBY

RESOLVED, that the Board approves and ratifies distributions made to the parent corporation, in an amount determined by the Treasurer, prior to the end of calendar year 2007; provided that, after giving effect to the distributions made hereunder, the Corporation will remain able to pay its liabilities as they become due in the usual course of business and the Corporation's total assets will remain in excess of the sum of its total liabilities plus any shareholder's preferential rights in liquidation.

4. Ratification of Acts

RESOLVED, that all actions taken by the corporate officers and the directors on behalf of the Corporation since the last annual meeting are hereby ratified and approved.


5. Counterparts

RESOLVED, that this Consent by the undersigned may be executed in counterparts (including by facsimile), shall be effective upon the date of the last signature hereon below, and when effective, may be treated by all persons as having the same effect as if the resolutions herein contained were lawfully adopted at a meeting actually held upon due and proper notice.

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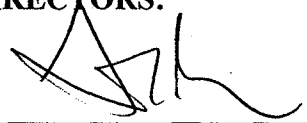
SHAREHOLDER:

SALTCHUK RESOURCES, INC.

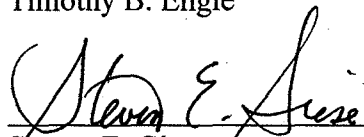
By 
Timothy B. Engle, President

Dated 12.10.07

DIRECTORS:


Timothy B. Engle

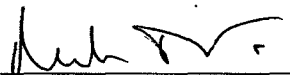
Dated 12.10.07


Steven E. Giese

Dated 12.10.07

Paul E. Stevens

Dated _____


Mark N. Tabbutt

Dated 12.10.07

SHAREHOLDER:

SALTCHUK RESOURCES, INC.

By _____
Timothy B. Engle, President

Dated _____

DIRECTORS:

Timothy B. Engle

Dated _____

Steven E. Giese

Dated _____

Paul E. Stevens

Dated 12.14.07

Mark N. Tabbutt

Dated _____

SALTCHUK RESOURCES, INC.

UNANIMOUS CONSENT TO CORPORATE ACTION BY THE BOARD OF DIRECTORS

The undersigned, being all of the members of the Board of Directors of Saltchuk Resources, Inc., Washington corporation (the "Corporation"), hereby waive all notices, statutory and otherwise, and unanimously approve, consent and ratify the following corporate actions in lieu of holding a meeting for that purpose, pursuant to the Corporation's Bylaws and RCW 23B.08.210:

RESOLVED, that the Board of Directors hereby elects the following persons to serve on the following committees of the Board of Directors until the next annual meeting of the Board of Directors or until the election and qualification of their successors:

Audit Committee

Frederick M. Goldberg
James Jiambalvo
Michele Seaver

Compensation Committee

John W. Creighton, Jr.
John V. Rindlaub

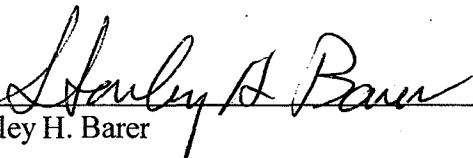
RESOLVED FURTHER, that the Board of Directors hereby elects the following persons to serve as the officers of the Corporation until the next annual meeting of the Board of Directors or until the election and qualification of their successors:

Chairman	Mark N. Tabbutt
President	Timothy B. Engle
Vice President, Chief Financial Officer, Assistant Secretary ...	Steven E. Giese
Secretary	Linda S. Becker
Treasurer	James H. Lawrence

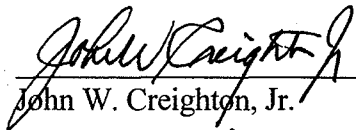
RESOLVED FURTHER, that all actions taken by the corporate officers on behalf of the Corporation since the last annual meeting are hereby ratified and approved.

RESOLVED FURTHER, that this consent by the undersigned may be executed in two or more counterparts (which will be effective upon delivery, including by transmission of facsimiles of signatures), and when effective shall be treated by all persons as having the same effect as if the resolutions herein contained were lawfully adopted at a meeting actually held upon due and proper notice.

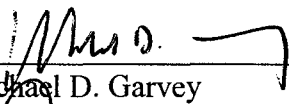
DIRECTORS:


Stanley H. Barer

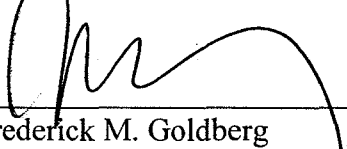
Dated 12/3/07


John W. Creighton, Jr.

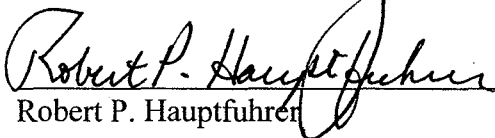
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Michael D. Garvey

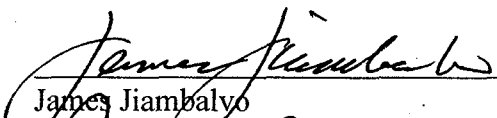
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Frederick M. Goldberg

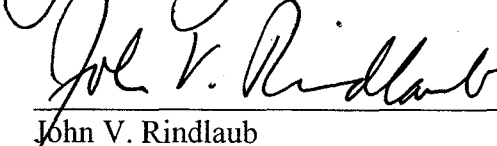
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Robert P. Hauptfuehrer

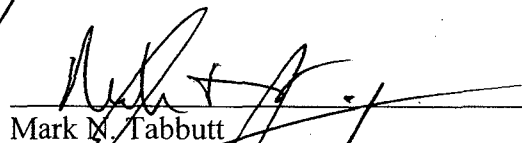
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James Jambalvo

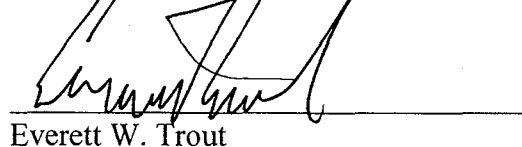
Dated 12/3/07


John V. Rindlaub

Dated 12/3/07


Mark M. Tabbutt

Dated 12/3/07


Everett W. Trout

Dated 12/3/07

FOSS MARITIME COMPANY

UNANIMOUS CONSENT TO CORPORATE ACTION BY THE BOARD OF DIRECTORS

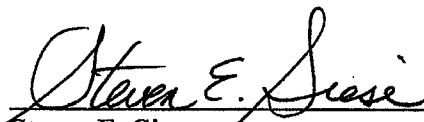
The undersigned, being all the directors of Foss Maritime Company, a Washington corporation (the "Corporation"), hereby waive all notices, statutory and otherwise, and approve, consent and ratify the following corporate action, pursuant to the Company's Bylaws and RCW 23B.08.210.

RESOLVED, pursuant to the resignation of Charlene R. McArthur as an employee of the Corporation, Ms. McArthur is hereby removed as an officer of the Corporation.

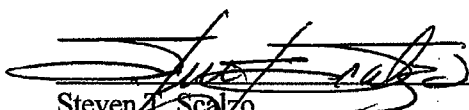
RESOLVED FURTHER, that Vincent P. Godfrey is hereby appointed as Vice President of the Corporation effective August 31, 2008.

RESOLVED FURTHER, that this Consent by the undersigned may be executed and delivered in any number of counterparts and by facsimile or other electronic means, each of which shall be deemed to be an original, but all such counterparts together shall constitute one and the same instrument, and when effective shall be treated by all persons as having the same effect as if the resolutions herein contained were lawfully adopted at a meeting actually held upon due and proper notice.


DATED as of August 31, 2008.


Steven E. Giese

Dated 8/31/08


Steven T. Scalzo

Dated 8/31/08


Paul E. Stevens

Dated 8/31/08